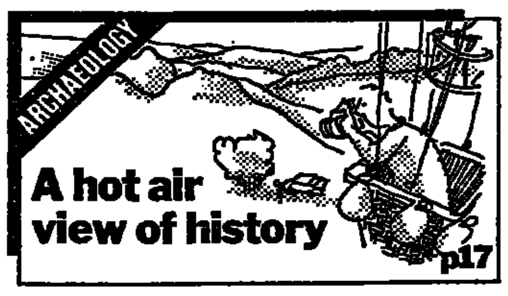
FINANCIAL TIMES
PUBLISHED IN LONDON AND FRANKFURT
No. 29,593 Saturday April 6 1985 ***35p

SAVINGS AND INVESTMENTS
Americans move in on investment trusts p10

ARCHAEOLOGY
A hot air view of history p17



FEATURES
CATHOLIC CHURCH p18
The Pope restates the rules
p19 FRANCE
Rocard out on his own

HOW TO SPEND IT
p15
Ways and means of giving generously

PROPERTY AND TRAVEL
Stately homes to visit and buy
p12&p13

WORLD NEWS

Teachers' action may spare exams

National Union of Teachers leaders will today urge their annual conference to intensify strike action over pay next term without hitting examinations.

The NUT executive will recommend that standing pay policy be reaffirmed. This includes a refusal to go to arbitration, which means hopes for an early settlement could be disappointed.

Conference will be urged to concentrate the pay campaign in "sensitive constituencies"—perhaps those of Ministers. Page 6

Fewer unemployed

The number of people out of work fell by 56,000 last month, but the underlying trend is still upwards, latest figures show. Back Page

Reagan plan denounced

President Reagan's Central American peace proposals were rejected by Nicaragua and called "a dirty trick" by U.S. House speaker Tip O'Neill. Page 3

Sudan cut off

Sudan is virtually cut off as a general strike and demonstrations threaten the rule of President Jaafar Nimeiri. Rebels said they were holding talks with the armed forces.

Surgery for Neves

Brazil's President-elect Tancredo Neves was said to be staging a modest recovery after his fifth operation in three weeks. Page 3

Miners study new rules

The NUM executive gave provisional approval to a new draft of its rule book, bringing it in line with the 1984 Trade Union Act. Back Page

Customs action starts

Customs and Excise staff began working to rule. No serious problems were reported at most British ports, but passengers and cargo may encounter difficulties on Monday.

35 killed on trains

At least 35 people travelling on top of two trains were killed, and 25 hurt, when they were hit by scaffolding over a bridge on the Yamuna River, north India.

Missile hits Baghdad

Baghdad was struck by an Iranian missile, the ninth in three weeks, after a two-day lull in attacks on civilians. Page 2

S Africa police boost

South Africa's police will be backed up by the railway police and army, as part of new arrangements to strengthen law enforcement and riot control. Page 2

Korean talks to resume

North and South Korea agreed to reopen economic and Red Cross talks called off in January. Page 2

Financial Times

The Financial Times will not be published on Easter Monday. The next issue will be on Tuesday.

We apologise to readers, advertisers and distributors for Thursday's shortage of the FT. This was due to mechanical problems in the production area.

BUSINESS SUMMARY

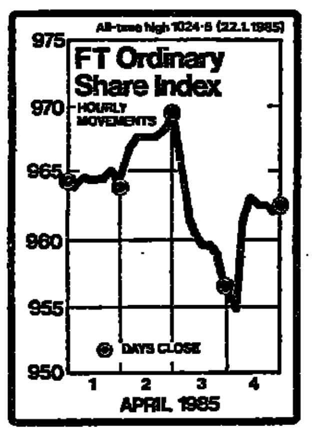
£99m issue launched by Saatchi

SAATCHI & SAATCHI, Britain's biggest advertising agency, surprised the City with a £99m share issue, a forecast of doubled profits and news that it had bought two U.S. consultancies, one dealing with sales promotion, one with design. The acquisitions mark a further stage in the company's drive to diversify. Back Page and Lex; Details, Page 20

CHEMICAL NEW YORK, U.S. banking group, has signed a letter of intent with the State of Ohio to acquire the business of Home State Savings Bank of Cincinnati, which revealed losses last month in connection with the failure of ESM Government Securities.

PRESIDENT REAGAN took the first step towards a compromise with Congress on measures to cut the federal budget deficit by agreeing to support a package which would reduce the growth in defence spending and outlays for the government pension scheme. Back Page

EQUITIES opened cautiously on Thursday, threatening to extend Wednesday's downturn, but rallied later in light, pre-holiday trading. The FT Ordinary share index, down 1.8 at 10 am, closed 6 points higher on the day at 962.5. Page 24



GAS: The Government rejected revised proposals for piping natural gas from Dublin to Belfast, deciding instead to spend £97m closing Northern Ireland's gas industry. Page 5

PAY: Banking, Insurance and Finance Union members voted by more than two to one to reject a "final" 5.5 per cent pay offer for clerical staff at the main English clearing banks. Page 6

UK NEW CAR registrations in the first three months of this year reached 503,148, a first quarter record, according to the Society of Motor Manufacturers and Traders. Page 6

FRANCE is to reactivate the Eurobond market for French francs in a further relaxation of the country's exchange controls. Page 2

FINANCE BILL is to be published on Tuesday, April 16, the Treasury announced.

NEW YORK Stock Exchange named Robert Birbaum, currently head of the rival American Stock Exchange, as president, chief operating officer and NYSE board member from May 6. Page 21

S. & W. BERISFORD, sugar processor and commodity trader, announced the $33m (£27.6m) acquisition of NGI International Precious Metals, New York-based trader. Page 20

Honda and BL seek to strengthen link

BY PETER RIDDELL AND JOHN GRIFFITHS

BL AND HONDA are well advanced in talks about a far more extensive link-up than so far realised. But agreement is being complicated by the Government's tough line over future financing of Austin Rover, BL's volume car subsidiary.

The main proposal is that Austin Rover should subcontract its under-used production lines to assemble Honda models, and that the two companies would jointly develop a new medium-car, in practice replacing the Maestro.

Honda would as a result gain the assembly facilities necessary for its assault on the European market. The Japanese group would move ahead rapidly to produce engines at the 330-acre site it has acquired at Swindon, Wiltshire; but plans to assemble vehicles at Swindon would be put on ice.

The whole issue has become one of considerable political sensitivity. The Department of Trade and Industry has made no secret of the particularly close scrutiny it has given to the BL corporate plan, which was submitted in December. Its priority is to establish that the UK business is on a sound basis.

Ministers, including Mr Norman Tebbit, the Trade and Industry Secretary, have stressed that no more state money can be made available to BL, either directly or through underwriting of new borrowing. Pointing to Austin Rover's poor sales and profit performance, ministers insist that all targets in the new corporate plan must be "realistic."

The concern in Whitehall has been reinforced by March sales figures released by the Society of Motor Manufacturers and Traders showing that Austin Rover, even with incentive schemes on the Metro and Montego, had only a 16.5 per cent market share. In the first quarter it was behind not only the market-leader, Ford, but had dropped to third place behind Vauxhall.

The Government strongly supports collaborative ventures such as BL's link with Honda, but wants to be sure that any link-up would generate sufficient funds to support its product development programme.

The outcome is likely to determine the whole future structure of BL, and Opposition MPs have expressed concern that the collaboration would amount to takeover of Austin Rover by Honda, and disappearance of the last remaining British volume car producer.

Mr John Smith, Labour's Trade and Industry spokesman, has urged the Government to make clear its commitment to the genuine independence of Austin Rover.

BL refused yesterday to comment on the reported link-up However, the company has in the past stressed its belief in collaboration, and particularly its continuing talks with Honda. It is understood that no answer has been received from Whitehall to the corporate plan.

Honda said in Tokyo that no decision on joint development of a medium-size car had yet been taken. It is understood that the two companies have been hoping to announce an agreement next Thursday, the day before Mr Tadashi Kume, Honda's president, performs the ground-breaking ceremony at Swindon.

BL and Honda are already co-operating on the XX model, an executive car likely to be launched in the UK in spring 1986.

An extensive link-up with Honda would substantially reduce Austin Rover's investment costs and provide the volume of output neeessary to make production more profitable at the Longbridge and Cowley plants. These factories have a capacity of 750,000 cars a year, but the target for this year is for sales of 435,000.

Record car sales, Page 6

UK and Malaysia in air deal

BY ROBERT MAUTHNER, DIPLOMATIC CORRESPONDENT, IN KUALA LUMPUR

MRS MARGARET THATCHER's lightning tour of six South-East Asian and South Asian countries started well yesterday in an agreement with Dr Mahathir Mohamad, the Malaysian Prime Minister on his demand for extra air services between Kuala Lumpur and London.

British satisfaction at the quick advance was tempered by several hard-headed, even hostile, remarks by Dr Mahathir about international relationships and the Commonwealth in particular.

He said Malaysia had learnt that the world cared little for sentiment and had relegated the Commonwealth to fourth place in its priorities because its ideals of sharing wealth had not bee fulfilled. Though the Commonwealth as originally conceived was a creature of the past, however, that had not prevented Britain and Malaysia getting on well.

At talks lasting 90 minutes the two Prime Ministers announced to a plenary meeting of their national delegations that they agreed in priciple on a fifth weekly flight by Malaysian Airline Systems (MAS) from Kuala Lumpur to London.

A joint statement issued after the meeting said similar rights would be granted to British Airways if requested and that further detailed talks would be held later. The quid pro quo for Britain's concession, about which British Airways has had doubts, is that Dr Mahathir has undertaken to actively consider abolition of what other airlines consider a discriminatory Malaysian tax measure favouring passengers who fly MAS rather than any other airline.

Though Dr Mahathir did not give a firm commitment that the discrimination would be ended, British officials were confident the problems would be solved soon on terms acceptable to all airlines involved.

The agreement on air communications set the terms for the rest of the talks, described by officials as taking place in a good atmosphere.

A period of tension began in 1981 when Dr Mahathir urged compatriots to "buy British last" in retaliation against Britain raising overseas students' tuition fees and its sharp reaction to Malaysia's policy of taking over foreign companies. That period appears to be ending.

Tengku Razaleigh Hamzah, Malaysia's Minister of Trade and Industry, made clear that his Government, far from discriminating against Britain, was anxious to see an increase in British investment in sectors such as rubber, machine-tools, electrical equipment and ceramics.

It would also welcome joint Anglo-Malaysian ventures on military and civil aircraft equipment, railway equipment, high technology of various kinds, water supply and artificial protein-extraction from methanol.

Company to exploit Porton research

BY DAVID FISHLOCK, SCIENCE EDITOR

PORTON INTERNATIONAL, an unquoted UK company, backed by some of the biggest institutions in the City, has secured exclusive rights to exploit the research of a unique British government laboratory considered a world leader in biotechnology.

In a written answer to Parliament on Thursday, the Government approved a 13-year agreement between the company and the Centre for Applied Microbiology and Research (CAMR) at Porton near Salisbury.

CAMR, once the Ministry of Defence's famous Porton Laboratory for germ warfare, became a national laboratory of the Public Health Laboratory Service of the Department of Health in 1979.

Since then, it has had a government brief to make and sell its "biologicals," such as viccines and treatments for infections and cancer.

Porton International, with headquarters in London and Washington, has the backing of 15 City institutions, among them the pension funds of Barclays Bank, Esso, ICI, Imperial Group and Legal and General.

A year ago leading members of Porton International said it was valued at more than £50m. It has since grown very rapidly.

The government laboratory, under the direction of Dr Peter Sutton, becomes an important centre of research for the new company, which has already moved many of its own staff there.

The Government canvassed widely for commercial partners within British industry before making Portion International its "single preferred choice."

According to a joint statement from the company and the board of the Public Health Laboratory Service, the company has been chosen for its capacity to mount broadly-based marketing and distribution operations for the laboratory's products.

The DHSS has funded construction of a £3.5m production centre for biologicals. This is expected to come into service this year, and will make the vaccine for the prevention and treatment of herpes simplex developed by Dr Gordon Skinner at Birmingham Universityl, for which Porton International already had marketing rights.

Its new blanket agreement, the fruit of two years' negotiations, gives the company exclusive rights to all CAMR products and processes until October 1998, and thereafter unless one party wishes to end it.

Porton International believes CAMR has a higher reputation overseas—especially in the U.S.—than at home for the quality of its biotechnology. In Britain, past-associations with germ warfare obscure the issue.

The company has high expectations of several specific areas of the laboratory's research, particularly its range of special biological tools for genetic engineers attempting to modify microbes, and its new enzymes, proteins and vaccines.

Satellite television project threatened

By Raymond Snoddy

THE Government's decision to investigate the possibility of advertising on the BBC will certainly delay — and may finally undermine — Britain's ambitious direct broadcasting by satellite (DBS) project.

Some senior ITV executives believe that there is no possibility that they could invest in a risky project that could cost as much as £500m if ITV, which is due to take a 30 per cent stake in DBS, is to lose its present advertising monopoly. A decision on ITV participation may therefore simply be delayed until the Government's verdict on BBC advertising is known.

"I don't believe there will be a concrete proposal on DBS put forward this year and if there is I would put a lot of money on the fact that my board would not be willing to invest in it," a senior executive of a major ITV company said.

The ITV companies have yet to meet to decide on a corporate view of DBS but early indications are that some at least will see the Peacock Committee, which is carrying out the investigation, as a welcome pretext for further delay.

"The Government has shot itself in the feet so often there are no feet left. I am totally bewildered as to what the Government broadcasting policy now is," said a senior executive of an ITV company which has in the past been bullish about the concept of DBS.

There is a growing fear that the "21 Club" which makes up the DBS consortium—the BBC, the 15 ITV companies and five non-broadcasting organisations led by Thorn EMI—may prove too unwieldy to cope with the present uncertainty.

"I would be surprised if the 21 Club is going to survive this. I think a phoenix will rise from the ashes but it will not have so many participants," said one leading ITV executive.

Another senior OTV manager who believes that inde-

Continued on Back Page
BBC prepared to defend territory, Page 6

Mitterrand quick to replace Rocard after resignation

BY PAUL BETTS IN PARIS

PRESIDENT Francois Mitterrand has wasted no time in replacing M Michel Rocard, the French agriculture minister who has shaken the socialist party by his dramatic resignation from the government in the early hours of Thursday morning.

M Rocard, who has for some time been at the top of French opinion polls as the country's most popular political leader, resigned in protest against President Mitterrand's plan to change the French voting system by replacing the current majority "winner takes all" system with proportional representation.

Candidate

The resignation frees M Rocard to stand as a potential candidate for the 1988 presidential elections. M Rocard had put himself forward as a Socialist presidential candidate in October 1980 to the irritation of M Mitterrand and numerous factions in the party.

In an effort to show that M Rocard's resignation has not undermined the continuity of the government, President Mitterrand has named M Henri Nallet, his advisor on agricultural matters at the Elysée, to replace the former agriculture minister. M Nallet formally took over the portfolio yesterday.

His appointment was generally welcomed by the influential French farming community. M Nallet, aged 46, has widespread experience of agriculture and was an assistant in 1970 to M Michel Debatisse, then the president of the main French farmers union.

M Francoise Guillaume, the farmers union current president, welcomed the appointment of the new minister while regretting that M Rocard was abandoning his post at a crucial moment in the EEC farm price negotiations.

M Rocard's resignation has provoked a storm in the Socialist Party. The former agriculture minister has been accused of stabbing the party in the back.

The spectacular gesture of M Rocard delighted the French right-wing opposition parties which are mounting a major campaign to try to block President Mitterrand's proposed reform. The opposition sees the introduction of proportional representation as an attempt by M Mitterrand to rob them of a clear-cut victory in the 1986 parliamentary elections and maintain himself in the Elysée until the 1988 Presidential elections.

In his first lengthy explanation of the reasons for his resignation, M Rocard wrote in a lengthy front page article published in Le Monde yesterday that he resigned on a matter of principle. He denied there were any ulterior motives in his decision but that he felt France needed firm and efficient government which the electoral reform threatened.

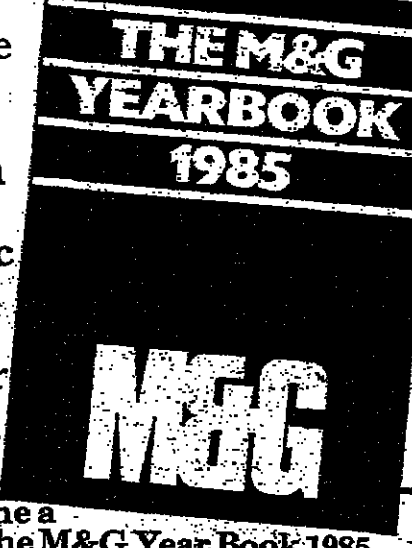
Without mentioning M Rocard, President Mitterrand argued that political stability or instability in France did not directly depend on the voting system. He suggested that the Third Republic with majority voting systems and the Fourth Republic with proportional representation had both been equally unstable.

Overtaken

M Laurent Fabius, the socialist Prime Minister who has been rising steadily in the public opinion polls, made no comment on the Rocard resignation before setting off on a Far East visit. He overtook M Rocard for the first time yesterday in the public opinion polls.

In a poll regularly published by Sofres-Figaro magazine on the most popular political figure in France, M Fabius yesterday came first with 57 per cent ahead of M Rocard with 51 per cent. The previous month M Rocard with 55 per cent still had a small lead over M Fabius with 54 per cent.

Rocard's gift to the right, Page 19
France re-opens bond market, Page 2



MARKETS

DOLLAR	STERLING
New York lunchtime:	New York lunchtime $1.1985
DM 3.1735	London* $1.1965 (1.2135)
FFr 9.6738	DM 3.79 (3.8)
SwFr 2.674	FFr 11.555 (11.585)
Y254.88	SwFr 3.2075 (3.205)
London*	Y304 (307)
DM 3.174 (3.1225)	Sterling Index 76.3 (77.1)
FFr 9.69 (9.535)	LONDON MONEY*
SwFr 2.685 (2.6465)	3-month interbank:
Y254.4 (253.2)	closing rate 13 1/16 % (13 1/16)
Dollar Indexx 148.9 (147.1)	3-month eligible bills:
Tokyo close Y254.7	buying rate 12 15/32 % (12 29-64ths)
U.S. CLOSING RATES*	STOCK INDICES
Fed Funds 8¼%	FT Ord* 962.5 (+6)
3-month Treasury Bills: 8.1%	FT-A All Share* 615.7
Long Bond: 96 3/32	FT-SE 100* 1,278.5 (+3.7)
yield: 11.62	FT-A long gilt yield index:
GOLD*	High coupon* 10.59 (10.56)
New York Comex April	New York
$317.1 ($321.6)	DJ Ind Av* 1,259.05 (+0.99)
London $317¾ ($319½)	Tokyo:
	Nikkei Dow 12,544.24 (−82.86)

* Figures for Thursday, April 4

Chief price changes on Thursday, Back Page

CONTINENTAL SELLING PRICES: Austria Sch 18; Belgium Fr 38; Denmark Kr 7.25; France Fr 6.00; W. Germany DM 2.20; Italy L1.300; Netherlands Fl 2.50; Norway Kr 6.00; Portugal Esc 80; Spain Pta 110; Sweden Kr 6.50; Switzerland Fr 2.20; Ireland 55p; Malta 30c.

CONTENTS

For London market and latest share index, 01-246 8026; overseas markets, 01-246 8086.

MOVE TO EASE FOREIGN EXCHANGE CURBS

France to revive Eurofranc market

BY PAUL BETTS IN PARIS

THE French government has decided to reactivate the Eurobond market for French francs in a further modest relaxation of the country's stringent foreign exchange controls.

Senior government officials said that the so-called Eurofranc market would be reopened "imnunently." M Piere Beregovoy, Finance and Economy Minister, held a meeting with the leading French banks on Wednesday to ensure an orderly reopening of the market.

The Eurobranc market has had a chequered history, suffering several starts and closures since the late 1960s mirroring the mixed fortunes of the French currency.

Successive attempts have been made to get a French franc Euromarket going in 1967, 1971, 1975 and 1979.

The last attempt came to a sudden end when the Eurofranc market dried up virtually overnight after the Left came to power in May 1981.

But the relative stability of the French currency within the European Monetary System (EMS) in recent months, coupled with last year's improvement in the country's overall balance of payments, has now prompted the monetary authorities to re-open the Eurofranc market.

The French authorities see the move as a further way of boosting confidence in the French currency. It follows a series of other relatively modest steps gradually to loosen foreign exchange controls since last summer.

The reopening of the Eurofranc market will again enable French enterprises to issue French franc Eurobonds. Already Gaz de France, the utility, is proposing to tap the new Eurofranc market with a first Fr 500m (£43m) issue managed by the Credit Commercial de France (CCF). This issue—the first since 1981—is expected to be floated next week.

Apart from signalling a further relaxation of exchange controls, the reopening of the Eurofranc market is also part of the Government's efforts to reform, modernise and deregulate French financial markets and offer borrowers and investors a wider range of financial instruments.

The Government recently introduced Certificates of Deposit (CDs) for the first time in France, is launching financial futures and stock option trading this year, and is now proposing to reform the mortgage market to enlarge access to this long-term market.

Government officials said that M Bérégovoy was expected to draw up recommendations for the reform of the mortgage market in the next two months.

The decision to reactivate the Eurofranc market is also seen as a goodwill gesture on the part of Paris before the meeting of EEC finance ministers this month in Palermo, to discuss the future of the European Currency Unit (Ecu) closer monetary co-operation, and the integration of financial markets.

By showing its willingness to continue with its curent policy of gradual relaxation of exchange controls, the French Government appears to be hoping to win concessions from West Germany to bolster the use of the Ecu.

Although the French banking system would ideally like the Eurofranc market to be completely open, the French Treasury is expected to try to maintain a tight control of the market.

The Treasury is expected to seek to control the calandar of new issues to avoid distortions in the market.

However, officials indicate that the authorities would actively encourgae borrowers to use the Eurofranc market.

Paris in bid to cut Moscow trade deficit

BY OUR PARIS STAFF

PARIS has won concessions from Moscow to help reduce France's growing trade deficit with the Soviet Union on account of French imports of Soviet gas. The deficit rose from FFr 4.2bn (£363m) in 1983 to FFr5.2bn last year.

Mme Edith Cresson, French Industry and Trade Minister, said at the end of a four-day meeting with top-level Soviet officials that Moscow would sign "in coming days" two important contracts with French groups involving orders worth FFr 4bn.

The contracts involve the construction of a gas treatment plant by Technip, the French project engineering group and the supply of a gas desulphurisation plant by Lurgi-France, the French subsidiary of the West German group.

The two contracts will restore a more equitable balance in the two countries' trade exchanges. French capital goods order from Moscow slumped to a low of FFr 880m last year.

The French Spie-Batignolles construction and engineering company is also said to be well placed in the competition for a FFr 10bn steel complex project, and the nationalised Thomson electronics group is negotiating the sale of 300,000 colour television sets for the Soviet market worth a total of about FFr 300m.

In return for securing a substantial rise in new capital goods orders, France has pledged not to reduce its current substantial purchases of Soviet gas.

At one stage, France had threatened to reduce and indeed stop altogether its Soviet gas purchases unless it secured trade concessions from Moscow.

However, Gaz de France, the French gas utility is continuing to seek new terms for its Soviet supplies.

The four-day meeting with Soviet officials in Paris was clouded by publication there of confidential Soviet documents showing how the Soviet Union has been benefiting from technological and military secrets gathered by Russian agents

Amsterdam airport hit by industrial action

BY LAURA RAUN IN AMSTERDAM

INDUSTRIAL action caused major delays for holidaymakers at Amsterdam's Schiphol airport yesterday as air traffic controlers stayed away from work in support of their demand for a 20 per cent salary increase.

Talks between the controllers' union and the Transport Ministry broke down last Thursday over the wage increase demand, which would narow the gap between the Schipol airport workers and colleagues based at the Eurocontrol centre set up by the three Benelux countries and West Germany at Beek. This base will take control of high-altitude air traffic and about 11 Schiphol controllers are to transfer to Beek next year.

Flights were delayed for up to six hours and a number were cancelled when about six of the controllers due to work phoned in sick. Strikes by civil servants are banned in the Netherlands. Disruption may continue today.

A four-day-old strike in the meat-processing industry also spread yesterday, as some 3,500 members of the FNV food-industry union engaged in strikes or disruptive action over demands for a 36-hour week, a cost-of-living allowance and supplementary sickness benefits.

Denmark, air, land and sea traffic was reported to be moving normally yesterday and there were no reports of any sizeable public protests in the continuing labour dispute, AP reports from Copenhagen.

But drivers were restricted by petrol shortages

Italian police arrest 12 Red Brigades suspects

BY ALAN FRIEDMAN IN MILAN

TWELVE suspected members of Italy's Red Brigades terrorist organisation were arrested yesterday in two separate police operations in Rome.

The arrests come 10 days after the Red Brigades murdered a leading economist closely associated with the trade unions.

The killing last week of Prof Ezio Tarantelli, 44, shocked Government ministers, MPs and trade unionists. It was the first time since 1983 that left-wing terrorists have struck against a political figure like Prof Tarantelli. But the Red Brigades arrested yesterday were not thought to have been directly linked to the Tarantelli killing.

The murder of Prof Tarantelli, head of the Research Department of the Cisl union, highlights the controversy over the Communist-inspired referendum on wage indexation which is to be held in June.

The Red Brigades made clear that they had killed Prof Tarantelli because of his work in trying to reform the Scala Mobile wage indexation system.

In a separate development, the Italian Cabinet decided this week that the referendum should be held on June 9 if no solution is found to avoid it.

Since the murder of Prof Tarantelli, the Government has been stepping up efforts to avoid the referendum.

The hope is that the aims of the re-emerging Red Brigades can be defeated by reforming the wage indexation system

Government may buy Hellenic Shipyards

By Andriana Ierodiaconou in Athens

THE GREEK Socialist Government is considering a $14m (£12.7m) offer by the Greek shipping magnate, Mr Stavros Niarchos, for the sale of Hellenic Shipyards, which is set to close on Monday with the loss of 4,800 jobs.

The yard, established in 1956 at Skaramangas, west of Athens, is one of Greece's biggest industrial employers.

The offer was made after negotiations collapsed between Hellenic Shipyards and the Government, on ways for the yard to continue operating, under its present management.

The negotiation is reported to centre on ways to end the recurring strikes which have plagued the yard for the past two months, as well as on means to prop up Hellenic Shipyards financially.

The yard's losses over the past three years are estimated to have reached $42m (£38m).

Left-wing trade unionists, backed by the Communist Party of Greece, have been pressing the Government to save jobs by nationalising the yard ever since the management announced the intention to "suspend operations" last Tuesday.

To step up pressure, the Socialist-led General Confederation of Greek Workers, the country's equivalent of Britain's Trades Union Congress, staged a two-hour general strike in the port of Piraeus on Thursday.

The Government, which has said it will decide on the sale offer as soon as it has examined Hellenic Shipyards' financial situation, is on the horns of a dilemma.

Politically, the Socialists can ill-afford to allow the yard to close with a mass loss of jobs, just two months before the expected early general elections in June.

Financially, they can equally ill-afford to add Hellenic Shipyards to the more than 30 enterprises whose management has already been taken over by the Government in a bid to curb rising unemployement—officially 10 per cent nationwide.

A company Press announcement said that Mr Niarchos pledged to help the Government during the management change, so that the yard would continue to be "useful to the country and the economy."

According to the announcement, the net worth of Hellenic Shipyards is $100m, and the cost of building the facility today would be $300m.

Opposition calls rally in Athens

By Our Athens Correspondent

GREECE'S CONSERVATIVE opposition called voters nationwide to a mass demonstration in the centre of Athens yesterday, in an advance show of political strength before the expected early general elections next June.

The demonstration was inspired by last week's controversial election of a new Greek President by the Parliament.

The rally was scheduled to take place in Constitution Square, just outside the Parliament buildings. The Conservatives have declared the Presidential election unconstitutional.

One of the main themes of the rally—a challenge addressed by the Conservatives to the Socialist Government for early general elections—has since been neutralised by the Prime Minister, Dr Andreas Papandreou, who bowed to the opposition's demands two days ago.

The Prime Minister has submitted a request to the President for early elections in June, several months before the end of the Socialist term in October.

Mr Constantine Mitsotakis, leader of the conservative New Democracy Party, who was scheduled to address the demonstration, was expected to focus on the Government's controversial handling of the presidential elections, which installed Mr Christos Sartzetakis, the Socialist-backed candidate, as head of state.

The Conservatives have accused the Government of violating the secrecy of the ballot prescribed by the constitution by introducing coloured ballot slips in the voting.

They have also questioned the decisive vote of the acting president, a Socialist Deputy, whose right to cast a ballot was in doubt under the constitution.

FINANCIAL TIMES, USPS No. 190640, published daily except Sundays and holidays. U.S. subscription rates $420.00 per annum. Second class postage paid at New York NY and at additional mailing offices. POSTMASTER: send address change to: FINANCIAL TIMES, 14 East 60th Street, New York, NY 10022.

Jordan political changes aim at progress on peace

BY RICHARD JOHNS

KING HUSSEIN of Jordan has appointed Mr Zaid Rifai as the country's Prime Minister and reshuffled the Cabinet in a change apparently related to his drive to bring about negotiations aimed at a comprehensive settlement in the Middle East.

Mr. Rifai, 49, is a life-long friend of the Hashemite monarch, and replaces Mr Ahmed Obeidat who submitted his resignation on Thursday night.

Harvard-educated, Mr Rifai is known for his pro-U.S. thinking but, equally significant, he had very good relations during his his previous stint as premier from 1973 to 1976 with Syria and developed close co-ordination with the regime of President Hafez al-Assad, who has been bitterly at oddswith King Hussein for several years.

Recently Damascus has attacked the February 11 agreement between King Hussein and Mr Yassir Arafat, chairman of the Palestine Liberation Organisation, on which the latest peace initiative started by Jordan and backed by Egypt is based.

Under the accord aimed at reinvigorating efforts towards a Middle East settlement through the good offices of the U.S., land occupied by Israel in 1967 would be recovered in exchange for a peace treaty with the Jewish state. As a first stage, King Hussein and Mr Arafat have proposed that a joint PLO-Jordanian delegation should hold talks with the U.S. in preparation for negotiations with Israel.

Mr Rifai also takes over the Ministry of Defence, a decision seen by some observers in Amman as connected with Jordan's difficulties in obtaining weapons supplies from the U.S. in the face of the Jewish lobby and Congressional opposition.

The reshuffle is notable for the fact that it brings the number of Palestinians, who make up 60 per cent of Jordan's population to at least nine out of 21. One of them, Mr Taher al Masri, remains Foreign Minister.

No reason was given for Mr Obeidat's resignation but in appointing Mr Rifai, King Hussein stressed that a balance must be maintained between different sectors of Jordanian society—an apparent reference to the Palestinians.

Mr Rifai put internal security and economic and social welfare as the first priority of his administration, so that the "citizen may live secure, without fear for his life, interests, freedom or future."

Baghdad hit by another missile from Iran

BY OUR MIDDLE EAST STAFF

BAGHDAD was struck by another Iranian missile yesterday afternoon, the ninth fired at the Iraqi capital over the past three weeks or so, as attacks on civilian population centres escalated again after a two-day lull.

The blast was clearly heard in the city, though the location and damage were not immediately clear. Earlier, an Iranian spokesman in Tehran had warned that a missile would be fired at Baghdad and warned the citizens to flee or they would "burn in the fiery wrath of our combatants."

In retaliation against Iraqi air attacks, Iran had previously said that aircraft had bombed the Iraqi towns of Diyanah, Jassan, and Shirvan-Mazin while its artillery had shelled the southern port city of Basra, a claim acknowledged by Baghdad.

The attacks followed an Iraqi claim that it had launched three missile attacks against the cities of Kermanshah (renamed Bakhtaran) and Hamadan on Thursday, as well as air raids on Iranian troop concentrations.

Official reports from Tehran made no mention of Hamadan, 160 miles from the berder but said that a missile attack on Kermanshah, 68 miles within Iranian territory had killed 25 people and injured more than 70.

There was no independent confirmation of another claim by a military spokesman in Baghdad to the effect that Iraqi aircraft had struck "a large naval target" near the oil terminal of Kharg Island.

An official Iranian statement accused Iraq of being indifferent to international attempts to halt attacks on civilian populations—a reference to current mediation bids by Mr Rajiv Gandhi, the Indian Prime Minister who is current chairman of the Non-Aligned Movement, and Sr Javier Perez de Cuellar, UN Secretary-General.

Iran, is continuing to resist diplomatic moves aimed at bringing about negotiations—which Iraq wants—to end the 54-month-old conflict.

Death toll up as Moslems, Christians clash in Sidon

Christian militiament clashed with Moslem and Palestinian fighters in Sidon yesterday, and there were reports of renewed Syrian pressure for an end to the hostilities in the city, AP reports from Beirut.

One policeman was killed and 11 civilians wounded in the mortar, rocket-propelled grenade and machine-gun exchanges. The latest victims raised the casualty toll in the eight consecutive days of fighting to 48 killed and 190 wounded.

Earlier in the day, rival militias also fought, though less intensively, along other front lines.

Lebanese army troops exchanged tank and mortar fire with Druze militiamen in the hills east of Beirut for two hours yesterday.

In Beirut, Moslem and Christian gunmen traded weapon-fire for 30 minutes along the Green Line which bisects the city into Moslem and Christian sectors.

No casualties were reported in the exchanges in Beirut or the central mountains.

The fighting in Sidon, 25 miles south of Beirut, was heavy overnight but tapered off in the morning to sporadic sniper fire.

Police and Sidon-based reporters said the fighting picked up again yesterday afternoon, with Christian militiamen on the hills overlooking Sidon firing mortars and heavy artillery into the city's two Palestinian refugee camps of Ein El-Hilweh and Mieh Mieh.

Moslem and Palestinian fighters in the camps were returning fire with multiple rocket launchers, they added.

A house was set on fire in the Mieh Mieh camp. Another fire erupted in the Marouf Saad Clinic nearby.

Korean talks to reopen

BY STEVEN B. BUTLER IN SEOUL

NORTH and South Korea have agreed to resume the stalled economic and Red Cross talks that North Korea called off in January to protest at large-scale joint military manoeuvres between the U.S. and South Korea.

The talks had begun on an optimistic note last autumn, but became bogged down first by a shooting incident at the truce village of Panmunjom—where the talks took place—and then by North Korean objections to the pending arrival of thousands of U.S. troops on a training exercise.

The economic negotiators will meet on May 17 and the long interval should have given both sides plenty of time to refine their positions.

A South Korean official close to the economic negotiations said: "The North Koreans were obviously unprepared for the talks in November, and they needed to find some excuse to postpone them."

On May 27 a delegation of North Korean Red Cross officials is scheduled to arrive in Seoul to begin discussion on reuniting familes separated by the Korean War.

Japan sets date to end whaling

JAPAN plans to end commercial whaling in 1988, writes Robert Cottrell in Tokyo. It will withdraw its fomal objection to the absolute whaling moratorium declared in 1982 by the International Whaling Commission (IWC).

The decision, taken at a Cabinet meeting, came despite vocal opposition from Japan's whalers. The country has the world's largest fishing and whaling industries. The official move to end whaling has been made mainly to preserve access to U.S. waters. Washington had threatened to cut Japan's catch quotas if it maintained its objection to the IWC ban.

Pledge for Ozal

Prime Minister Turgut Ozal of Turkey has ended talks in Washington during which he called for a new friendship agreement with Greece and obtained President Reagan's promise to try to overturn aid cuts made by Congress and to win approval for his full request of $939m in military-related aid for Turkey next year.

Honduran charges

The Honduran Congress has quashed a move by President Roberto Suazo Cordova to charge 50 of its members with treason, Reuter reports from Tegucigalpa. It voted against allowing courts to proceed with the charges, brought with the President's backing after congress replaced five supreme court judges it accused of manipulating electoral law.

Soviet grain pact

Canadian Foreign Minister Joe Clark yesterday said that the Soviet Union had made clear it hoped to renew a bilateral grain pact, indicating continued concern over a succession of poor harvests, Reuter reports from Moscow.

Alcoholism drive

The Soviet Politburo has announced a new drive aaginst alcoholism, which kills thousands of citizens every year, Reuter reports from Moscow. The Soviet Union leads the world in consumption of spirits, notably vodka.

East German spy

An East German scientist who pleaded guilty to spying against the U.S. was sentenced yesterday to eight years in prison and fined $5,000, Reuter reports from Boston. Prof Alfred Zehe (45) of the University of Dresden was arrested in 1983 at a Boston conference.

Kidnap suspect

Mexico will seek the extradition from Costa Rica of the prime suspect in the kidnapping narcotics agent, Reuter reports from Mexico City. The suspect and murder of a U.S. anti-in a dawn raid in San Jose.

Black shot dead in S. Africa

BY ANTHONY ROBINSON IN CAPE TOWN

SOUTH AFRICAN police yesterday shot dead a black man and another was apparently killed by a mob in rioting against apartheid.

The police said they fired on stone-throwing blacks attacking a patrol outside Port Elizabeth. In Langotownship, near Uitenhage, a crowd was discovered trying to set fire to the body of a black who had been stabbed and hacked to death.

Black anger at white-minority rule often expresses itself in attacks on fellow black who are seen as collaborators with the system.

The renewed violence followed the announcement that the army and railway police would be called in to back up regular police in quelling riots wherever necessary.

These arrangements were first mooted by President P. W. Botha in his statement to a combined session of Parliament last week, but the details were released on Thursday night by Mr Adriaan Vlok, Deputy Minister of both Defence and Law and Order.

Mr Vlok said that the three forces would combine "in order that law and order can be restored in areas affected by recent unrest and to maintain individual safety."

The army and railway police would help the regular police at road blocks, cordons, protection and escort duties and "other situations as circumstances demand." But, he added, the army would not be involved in normal policing operations.

In practice, the new measures appear to be a formalisation of existing co-operation between the army and police. A combined army-police force of 7,000 surrounded and searched the black township of Sebokeng near Johannesburg last October and the army has been involved in policing operations during the recent disturbances in the Eastern Cape.

Mr Vlok indicated that greater efforts would be made to protect the lives and property of "law-abiding members of the black community who have indicated willingness to go ahead with the Government's reform initiatives," from what he called "radicals using the revolutionary practices of intimidation and even murder."

In Durban, a silent dawn march through the city by 300 people headed by the Catholic and Anglican archbishops of Durban passed off without incident. The march to the city jail in support of trade unionists and United Democratic Front supporters awaiting trial on treason charges had been authorised by the authorities.

Neves shows small sign of recovery

BY ANDREW WHITLEY IN RIO DE JANEIRO

BRAZIL'S president-elect Sr Tancredo Neves, critically ill in a Sao Paulo hospital, was yesterday said to be staging a modest recovery after all had seemed lost on Thursday.

After close relatives had said then that "only a miracle" could save the 75-year-old Brazilian leader, the armed forces were put on a state of alert to guard against any possible disturbances.

General Leonidas Pires Goncalves, the new army minister, who is also the most senior serving officer, telephoned Sr Jose Sarney, the Vice-President and acting head of state, to assure him that the armed forces would follow the laid down constitutional procedure.

This meant, he is reported to have said, that in the event of Sr Neves's death, the Vice-President will automatically take over. The reassurance was important as the armed forces have frequently taken advantage of a succession crisis and imposed their own choice as President.

Sr Sarney, a former political ally of the armed forces who broke ranks with them last August to support the presidential bid of Sr Neves—the candidate of the then opposition Democratic Alliance—has been scrupulously careful during the past three weeks' crisis not to overstep his caretaker mandate.

Stepping into the power vacuum has been the Congress, led by Sr Ulysses Guimaraes, president of the Chamber of Deputies, the Lower House. In effect, Sr Guimaraes, who is president of the Brazilian Democratic Movement Party and next in line for the succession, is running his own parallel government.

Yesterday morning it was Sr Guimaraes, the veteran party chief, who appeared alongside Sr Antonio Brito, the presidential spokesman, for the latest bulletin.

This more optimistic report said that Sr Neves was breathing normally, without artificial aid, and that he had had "a tranquil night." The inflammation in his lungs was said to have lessened and—for the moment, at least—no new sources of infection have been reported in his abdomen.

His heart and breathing have been giving cause for concern to his doctors, requiring the use of an artificial respirator for a 24-hour period before and after the latest operation.

U.S. jobless rate stays unchanged

By Our Washington Correspondent

UNEMPLOYMENT in the U.S. remained unchanged in March at 7.3 per cent, the Labour Department reported yesterday.

But buried behind the unemployment figures was another strong gain in the number of workers with jobs, which suggests that the economy overall is still continuing to expand at a moderate pace.

The gain in employment was concentrated on the service and construction industries and the retail trade sector. There was no rise in manufacturing employment which has been stagnant since August of last year.

This partly reflects the growing share of domestic consumption being taken by goods imported from abroad. Average factory working hours rose by half an hour.

The trends reported by the Labour Department will convince many economists that demand in the economy is not running out of steam.

But recent figures pointing towards a deterioration in the trade balance are convincing some private economists that the Commerce Department's "flash" forecast for a sluggish 2.1 per cent real annual rate of increase in Gross National Product may not be revised sharply higher, as some have predicted.

Sandinistas reject Reagan 'peace proposal'

BY STEWART FLEMING IN WASHINGTON

PRESIDENT Ronald Reagan's "new proposal for peace" in Central America has been bluntly rejected by the Sandinista Government of Nicaragua and sharply criticised on Capitol Hill.

Mr Tip O'Neill, the House speaker, described the President's initiative as "a dirty trick."

Mr Reagan, at a Press conference on Thursday, called on the Sandinista Government and the U.S.-backed contra rebels who are seeking to topple the Sandinistas, to lay down their arms and enter into church-mediated talks on internationally supervised elections.

But in what many critics of the President's Central American policies see as the main objective of the initiative, Mr Reagan called on Congress to release immediately the $14m (£12.7m) of military aid for the contras which has already been appropriated.

Mr Reagan said that while the peace talks continued, the funds would not be used for arms and munitions for the rebels, but for "food, clothing, medicine and other support for survival."

But if, after 60 days, the peace talks have not made progress, the President said he would then be free to authorise the expenditure of the remainder of the $14m released by Congress on military supplies for the anti-Sandinista contras.

Mr Carlos Tunnerman, Nicaraguan Ambassador in Washington, promptly rejected the President's proposal, saying: "We cannot negotiate under the threat that if there is no agreement, the covert aid (to the rebels) will be renewed."

On Capital Hill the President's new peace proposal was seen primarily as a ploy aimed at trying to improve the Reagan Administration's chances of obtaining the funds for covert aid to the rebels.

Congress has already voted four times to block the release of new covert military aid to the costras. Cngressional Republicans have told the President that his chances of securing the funds in votes on Capitol Hill later this month are slim.

The question now is whether by linking the release of the funds to increased pressure on the Nicaraguan Government to engage in peace talks, Mr Reagan has created a vehicle which he can use successfully to chip away at Congressional opposition to what his critics see as the covert war the U.S. is waging against the Nicaraguan Government.

In the wake of the announcement, many leading Democrats said they saw no fundamental change in Administration policy in the President's statement.

They repeated their opposition to a policy of attempting to overthrow the Nicaraguan Government by force.

This, they argue, is counterproductive and only encourages the Sandinista Government to import arms and to rely on Cuba and the Soviet Union for backing.

NY report hails UK growth

WEST GERMANY and Britain have shaken off their lethargy and joined the economic growth parade headed by Japan, Australia and Taiwan, according to a study by the Conference Board of New York, AP reports.

The U.S., France, Canada and Italy are lagging, but the study says the latest data strongly suggest that the economies of the world's main non-Communist industrial nations will continue to expand.

Japan continues to lead the way, with its leading index soaring at a 9 per cent annual rate, the Board said.

The leading index is designed to forecast future economic performance. It includes building permits, factory orders for goods and other factors that foreshadow business activity several months in advance.

It is rising at a 6 per cent rate in Taiwan and 5 per cent in Australia.

"The UK and West Germany have finally climbed out of the economic doldrums that held them back last year," the board comments. "They are now posting growth rate of 5 per cent and 6 per cent respectively."

The leading indices are advancing more slowly in three other leading industrial countries studied by the board. They are up a scant 1 per cent in the U.S., 3 per cent in France, and 4 per cent in Canada and Italy.

Mr Edgar Fiedler of the Conference board commented: "Although growth rates have slowed in some countries, especially the U.S., the leading indices themselves are at or above their highs of last year in virtually all countries."

Northrop offers U.S. air force its fighters

BY PAUL TAYLOR IN NEW YORK

Northrop, the U.S. military aerospace group—in a highly unusual move apparently timed to coincide with the current furor over Pentagon spending — has proposed selling the U.S. air force 396 F-20 Tigershark fighter aircraft to replace some of the General Dynamics F-16C fighters which the Air Force is already committed to buy.

The unsolicited proposal, made by Mr Thomas Jones, Northrop's chairman, at a Los Angeles Press conference, came as a team of auditors concluded that General Dynamics, the nation's largest defence contractor, had billed the Pentagon for $244m (£221m) in excess overhead claims. General Dynamics has become the focus for mounting allegations of overcharging.

Mr Jones said Northrop is offering the Tigersharp fighters at a fixed price of $15m each in 1986 dollars compared with a stated budget price of between $18m and $20m for the General Dynamics' F-16C jets.

The U.S. airforce is scheduled to acquire an additional 792 fighters at a cost of $6bn over the next four years, but its current commitent to buy the F-16Cs expires this year.

The move, which marks an unusual "breaking-of-ranks" among the nation's defence contractors, was generally viewed as an astute attempt by Northrop to keep its faltering F-20 programme alive.

Northrop developed the F-20 without federal funding at a cost of almost $800m, in response to a 1980 suggestion from President Jimmy Carter that U.S. defence contractors build an "intermediate" jet fighter suitable for sale to U.S. allies.

However, so far Northrop has failed to book any orders for the F-20 and Wall Street analysts have speculated that the company must decide soon whether to put the jet into production or abandon the so far ill-fated project.

The proposal was made as Government auditors released the preliminary results of the latest investigation into General Dynamics' billing.

The audit was ordered on March 5 by Mr Casper Weinberger, U.S. Defence Secretary, when he announced a 30-day freeze on "general and administrative claims" by General Dynamics estimated to total about $40m a month in response to allegations about the company's previous billing practices.

The Pentagon said that of the $244m in alleged excess charges identified by the auditors, about $120m has been recovered through the withholding of expense claims.

The Pentagon added that it is considering how to recover the remaining $124m and is considering either a continuation of the freeze or a demand for full repayment.

Among the initial findings of the audit, the Pentagon said it revealed excess "administrative and general" overhead payments totalling $154m in addition to $90m in overhead claims which have been withheld.

The Pentagon described the $154m as including "technical-type issue" such as claims for data processing costs and workers' compensation.

Last month, General Dynamics voluntarily reimbursed $23m in overhead charges after Government auditors challenged $63.6m out of $170m in overhead payments made between 1979 and 1982.

Salvador poll protest collapses

BY DAVID GARDNER IN MEXICO CITY

EL SALVADOR'S powerful far right, which had been seeking to overturn President Jose Napoleon Duarte's victory in last Sunday's national assembly election by having the votes annulled, has withdrawn its petition to the electoral council —which it controls—after a unique display of army pressure.

Major Roberto D'Aubuisson's coalition between his own extremist Arena movement and the right-wing National Conciliation Party (PCN), on Tuesday night tried to get the election declared null and void through their 2-1 majority on the electoral council, which arbitrates on elections.

In its written submission, the far Right took the unprecedented step of directly accusing the army of favouring Sr Duarte's Christian Democrats.

Throughout the past five years of civil war against left-wing insurgents, and indeed in the five decades of army-backed right-wing rule which led to it, the far Right and the armed forces have been firmly allied in defence of El Salavador's small land-owning and business oligarchy.

Though control of both the electoral council and the supreme court put the far right in a technically strong position, its power play collapsed.

By Wednesday, the armed forces had assembled the entire high command, every field commander in the country and the chiefs of the air force and various police forces in a unique Press conference.

This was designed to demonstrate unanimous repudiation of the far right leaders, and deny what they describe as his "denigrating claims of their bias" towards the Christian Democrats.

An hour after the Press conference, the executive of the PCN, itself a former vehicle for decades of army rule, disavowed its leaders' support for the annulment petition.

The Right's surrender was complete when the Arena delegate on the electoral council announced four hours later that the petition was being withdrawn.

Though the right is still expected to snipe at individual results by province and town, its hope of forcing an extra three seats in the East out of the Christian Democrats has been dashed.

Reliable projections now show the Christian Democrats with 54 per cent of the vote, against the coalition's 37 per cent, which would give Sr Duarte 34 seats in the 60-seat assembly.

In 1983, this country made a profit of £430 million from our aviation industry.

And last year, the tourists who were flown into Britain spent over £4·25 billion in our hotels, theatres, pubs and shops.

This business continues to grow at a rapid pace, bringing even more money into the country and providing more jobs.

So much so, that forecasts indicate that in future years London's airports will find themselves unable to cope.

The airlines would have to look to Holland, France and Germany to deposit their passengers, their freight and their money.

The report of the Airports Inquiries 1981-1983 was recently published.

It concluded that the London airport system (of Heathrow, Gatwick, Luton and Stansted) can remain at the centre of the world's airline industry only if it expands.

The report forecast that by the next decade the demand can only be met by an increased capacity in the south-east, which means expanding Stansted Airport and building a fifth terminal at Heathrow.

Every effort should be made to develop the regional airports, but their expansion alone could not meet the future demands of the south-east.

Unless the above recommendations of the Inquiries are acted upon swiftly, the aviation industry will suffer.

Which will mean the country loses revenue and loses jobs.

We wish to see a civil aviation industry that has the freedom to grow to its full potential.

Not one that has had its wings clipped.

AIR UK • BRITISH AIRPORTS AUTHORITY • BRITISH AIRWAYS • BRITISH CALEDONIAN AIRWAYS • BRITISH MIDLAND AIRWAYS • DAN AIR

PR groups given Commons warning

By Ivor Owen

PUBLIC relations companies campaigning on behalf of their clients were warned in the Commons this week not to overstep the mark in their attempts to influence MPs.

Mr John Biffen, the Leader of the Commons, joined with Mr Peter Shore, shadow leader, in condemning the action of Political Research and Communications International in offering to pay the travelling expenses of the Commons Environment Select Committee to enable it to examine an advanced system for disposing of radioactive waste in Sweden.

Mr Biffen said it would be improper for any select committee, conducting an independent inquiry on behalf of the House, to acept funding from an interested private party.

He suggested that the liaison committee which co-ordinates the work of the select committees should consider whether any further action was required.

Mr Shore described the cash offer made by the company as "unacceptable and improper."

"He said, "This is an important matter involving a commercially motivated attempt to influence the work of a select committee and the activities of a public relations firm chaired by an MP."

Mr Peter Fry, Conservative MP for Wellingborough, is a director of Political Research and Communications International.

Mr Richard Hickmet (Con, Glanford and Scunthorpe) called for a debate on some of the wider implications of sustained campaigns on particular issues which resulted in MPs being bombarded with a mass of material.

He protested that MPs had received "threatening letters from the Roche drugs company" over the recently implemented government scheme to limit the range of brand name products which can be prescribed under the National Health Service.

Mr Biffen commented that intensive lobbying was something MPs had to learn to live with, and added: "I am not sure we have made it easier by having shared our collective agonies with each other in debate."

BNOC lifts veil on April prices

BY IAN HARGREAVES

THE British National Oil Corporation has started to lift the veil on its prices for this month's North Sea oil supplies but will not complete the task until after the Easter holiday.

In a display of secrecy the corporation abandoned its usual method of notifying pricing proposals by telex. Instead, it has been telephoning individual clients with information about specific grades of North Sea crude, urging them to keep the information confidential.

The corporation said it would not complete the task of talking to suppliers until the middle of next week. Suppliers were being offered the same price for each grade of crude, it said.

The prices released confirm that this month's rate for Brent blend, the North Sea reference crude, will be $37.50 a barrel, down from $28.65 in March. It it precisely because the Government fears an adverse reaction to this cut from the Organisation of Petroleum Exporting Countries that it has told the corporation to fudge presentation of its proposals.

The general reaction among those suppliers who had received information from the corporation on Thursday was that prices were lower than justified by market circumstances, where Brent blend is trading at about $28.40 a barrel.

The Government, however, is keent o convince as many suppliers as possible that their best interest lies in abandoning their oil participation contracts, with the corporation as soon as possible so that BNOC can be wound up, according to plan, by October. By offering low prices it hopes to persuade companies to make alternative trading arrangements as soon as possible.

Several suppliers have agreed with the corporation that they will not supply any more participation crude—the 51 per cent of output to which the corporation is entitled under agreements with oil companies —from May 1.

Others have hesitated, to see what price offers emerge from BNOC and to allow time to find new clients for their oil.

It is possible that some oil companies will decide to take the corporation to arbitration over this month's prices in the hope they will secure a higher price. There was a feeling in the industry last week, however, that it would be unwise to rock the boat in BNOC's dying days, especially when the Government was putting finishing touches to the ninth round of North Sea licensing.

Details of ninth round awards are expected early next month.

AP reports: An official of Nigerian National Oil indicated on Thursday that his country may not necessarily follow the BNOC's price cut for April crude.

Ulster gas industry faces £97m rundown

BY OUR BELFAST CORRESPONDENT

THE GOVERNMENT yesterday rejected revised proposals for piping natural gas from Dublin to Belfast, deciding instead to spend £97m closing Northern Ireland's gas industry.

The rundown of the gas undertakings will take up to three years and will mean the loss of 1,000 jobs. The trade unions reacted angrily, and workers in the council-run Belfast Gas Department walked out to hold a protest meeting.

During talks with a joint working party Dr Rhodes Boyson, the Northern Ireland Industry Minister, turned down their plan to bring natural gas from the Kinsale field, off the southern coast of Ireland.

His decision is the final blow to the loss-making gas industry, which has fought for the supply of natural gas for years, first from Great Britain and more recently from the Republic.

Last year the Government cancelled an agreement drawn up with the Irish Government to lay a pipeline across the border. It blamed rising costs and continuing decline in the number of consumers. Officials remain unconvinced that natural gas would attract customers back in sufficient numbers. Other forms of fuel, notably coal, have become increasinly popular.

Dublin's asking price of 40p a therm would leave little room for undercuting the competition. Dr Boyson had a stormy meeting with the undertakings and the unions.

They propose a narrower pipeline and more limited distribution network, saying that a smaller operation could succeed, by cutting overheads and employing half the present labour force.

Dr Boyson said: "The total cost to the taxpayer will be £97m to run down the industry and compensate consumers who want to switch to another fuel.

"I am advised that the industry's proposal could not be viable. If we had gone ahead with their scheme, then in two years' time, having spent an estimated £70m on it, we would still have faced the cost of closure."

Prestwick airport to remain international

By Michael Donne,
Aerospace Correspondent

PRESTWICK AIRPORT, in Scotland, will remain a long-haul international airport at least until 1989, when its future will be reviewed if there has been no change in its fortunes.

Mr Nicholas Ridley, Transport Secretary, stressed this in a written parliamentary answer on Thursday, and said that government policy towards the other lowland airports in Scotland would remain unchanged, following the extensive review of those airports.

This means that Glasgow (Abbotsinch) will remain an important short to medium-haul domestic and international airport, but will not be expanded to become a long-haul airport, and that there will be no change in the status of Edinburgh airport.

These decisions, resulting from the Scottish Lowlands Airports policy review begun last year, will disappoint British Midland Airways, which had hoped to launch services to New York from Abbotsinch.

Such services would have required big expansion of the airport to cope with long-haul, heavily-laden transatlantic jets, requiring extra runway length as well as improvements to terminal buildings.

The decision is likely to be welcomed by British Aerospace, the aircraft manufacturer, which had been faced with possible closure of its Prestwick factory (where light aircraft are made) if the Government had changed the conditions of use at Prestwick.

BAe finds Prestwick, a big long-haul airport with an extensive runway capability, useful in its aircraft manufacturing business.

Prestwick's long-haul transatlantic traffic has been declining for some time. Last year, it handled 235,000 passengers, 5.7 per cent less than in 1983. The decline has continued this year.

Mr Ridley said in his parliamentary answer that the Government was anxious that this situation should not continue indefinitely "and therefore wish to see every effort made by those who want to preserve Prestwick to improve its economic performance.

"We look for a steady improvement in the airport's financial results as a result of such efforts, and to this end the Freeport (designated at the airport last year) should help.

"If, however, a change in the fortunes of Prestwick does not come about by 1989, the decision to maintain existing policy will have to be reconsidered."

The British Airports Authority, and transatlantic airlines using Prestwick, are seeking to expand its use, especially by airlines moving to and from the Continent.

Farmers who leave dairying 'should have more compensation'

BY RICHARD MOONEY

BIGGER compensation payments should be offered to British farmers who want to pull out of dairying because of the EEC quota scheme imposed last year and money should be made available to compensate farm workers who lose their jobs as a result, a Commons committee has told the Government.

In a report published on Thursday, the House of Commons Agriculture Committee also criticised the method used to ensure that the quota scheme was being operated properly in all community countries.

Under the so-called "outgoers scheme," the Government has provided £50m to pay off farmers who decide to leave the dairy sector. They receive 30p for each litre of quota given up. But the committee says this scale of assistance is not enough to meet farmers' needs.

It remains concerned about the position of farm workers who are put out of jobs and recommends that an EEC funded scheme of compensation should be established. "But as an alternative, the Government should give consideration to a UK-funded scheme comparable to the outgoers scheme for dairy farmers."

On the question of monitoring the scheme, the committee said it was concerned that "the Government seems to rely on the fact that EEC audit arrangements will ensure that errors and evasions will be picked up later." This method takes far too long, it insists.

Another matter worrying the committee was the fact that UK production was running below quota. That position changed in mid-November, however, since when production has been running above quota.

The Milk Marketing Board estimated this week that in the first year of the scheme, UK production totalled 214m litres, 1.7 per cent below quota. it warned that current output levels suggested over-production in the first quarter of the 1985-86 marketing year, which began on April 1, could result in UK dairy farmers facing a £6.5m EEC fine in three months time.

Comment on the Minister's Response to the Committee's report on the implementation of dairy quotas, HMSO, price £2.85.

Rig builder wins order

Financial Times Reporter

HIGHLANDS FABRICATORS, the Scottish rig-building yard owned jointly by Brown and Root and Wimpey, has won a £25m contract to build a jacket and support frame for British Petroleum

Work on the four-legged, 7,800-tonne jacket (the underside of an offshore platform) and frame on to which modules of equipment are fitted will start immediately.

Hi-Fab, which is working on an order for the Marathon Brae Field but has been hungry for additional work, said the BP contract would provide 500 jobs

State industries attack plan

BY OUR NATURAL RESOURCES EDITOR

THE GOVERNMENT'S plans to tighten control of nationalised industry finances would demotivate employees and management and would give the Government unprecedented power to siphon funds from the profitable electricity and gas industries.

These views were put in an attack by state energy companies on the Government's recent consultation document on the future of nationalised industries, They were made in evidence to the Commons Energy Committee, which issued the documents this week.

Although the electricity industry welcomes the Government's intention to clarify the industry's legislative framework, it joins with the gas and, to a less strident degree, the National Coal Board, in condemning important aspects of the proposals.

The main points challenged by the industries are:

- By taking stronger powers to set financial targets, if necessary without agreement with industry boards, the Government would in effect be taking over from management key decisions about pricing and wages.
- Powers to convert reserves into loan capital would amount to expropriation of past profits.

The toughest language in the responses comes from British Gas. Sir Denis Rooke, its chairman, told the committee the measures would reduce the corporation's board to having the role of a management committee acting at the ultimate behest of the Treasury.

Energy Committee: HM Treasury's consultation proposals for legislation in respect of the Nationalised Industries; SO; £3.30.

Greyhound track sale plan

BY CHARLES BATCHELOR

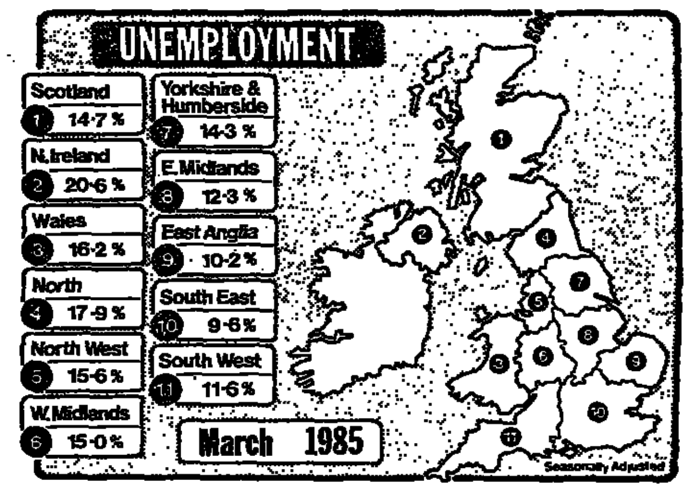
GRA Group, the country's largest operator of greyhound race tracks, plans to sell the 20-acre Harringay Stadium in north London to J. Sainsbury, the retail food chain. The stadium, which may realise as much as £12m is destined for redevelopment partly as a superstore.

Final agreement on the deal depends on the granting of planning permission. If the sale goes through, GRA hopes to buy or establish a new stadium.

GRA sold White City, its London flagship stadium, in May 1983. It announced at the end of last year that it was discussing the possible development of four of its stadiums, including Harringay, with supermarket operators.

The other stadiums under discussion were Slough, White City (Manchester) and Shawfields.

The group said yesterday it had reached conditional agreement with Sainsbury's to sell most of the freehold land and buildings at Harringay for £10.5m before tax and expenses. Sainsbury's also has an option to buy the rest of the property for a further £1.5m.



UNEMPLOYMENT continued to rise in four of the 12 regions, including Northern Ireland, in March. The largest rise was in Scotland, where the seasonally adjusted total went up by 2,900 to 331,700 or 14.7 per cent of the working age population.

For Great Britain the figures show that 3.027m people were out of work in March or 12.8 per cent of the working age population. Just under 70 per cent of the unemployed were men.

House price increases show wide variation

BY MARGARET HUGHES

THE RISES in house prices recorded by three of the major building societies once again show wide variations.

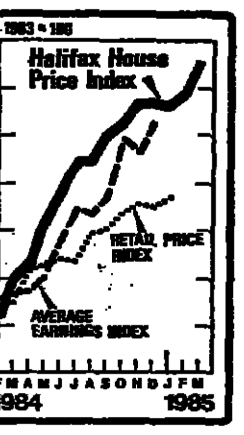
According to the Halifax's latest report house prices rose by more than 1 per cent in the first quarter of 1985. This is a smaller rise than recorded in the previous quarter but still means that house prices are now 9 per cent higher than a year ago.

This rise is much less than the 3 per cent increase giving an annual rise of 14 per cent announced earlier in the week by the Nationwide. It is, however, slightly ahead of the 0.6 per cent rise recorded by the Abbey National in the first quarter giving an annual rise of 7.4 per cent which matches that recorded by Leeds Permanent.

The Halifax claims, however, that its House Price Index provides a more accurate indicator because it makes full allowance for the changing mix of mortgaged properties.

The average house price, according to the Halifax Index, is now £32,053 but there are wide regional variations. The average price of a house in Greater London, where prices have increased by 14 per cent on a year ago, is now £44,799. The smallest annual rise of 5.2 per cent was in Yorkshire and Humberside where the average price is now £22,995.

The Halifax still expects the overall rise this year to be about 8 per cent. This is the same rate of increase as the society forecast for 1984 when its index for the year ultimately showed a rise of 9.1 per cent. This forecast is much in line with that of the Leeds Permanent which is predicting a rise of between 8 and 10 per cent this year.



Secondments to Civil Service

By Our Political Editor

EMPLOYEES from 74 organisations in the private sector were seconded to the Civil Service last year.

These figures were disclosed on Thursday in a parliamentary written answer by the Prime Minister to Mr Gordon Brown, Labour MP for Dunfermline who has been pressing ministers on the issue since the appointment of Mr Peter Levene, former chairman of United Scientific Holdings, as the head of defence procurement.

The secondements have been from a wide range of companies and professional firms, supplying in some cases more than one person.

Of the 116 secondments the largest number, 40, has been to the Department of Trade and Industry, with 15 to the Department of the Environment.

Owen in move on candidates

DR DAVID OWEN, leader of the Social Democratic Party, hopes to minimise the number of SDP-Liberal Alliance candidates at the next general election who would be committed to unilateral nuclear disarmament.

Interviewed on Thames Television's TV Eye programme on Thursday night, he said he hoped such candidates would not go off and do their own thing, because the Alliance would remain committed to a multilateral approach. Defence was a source of tension in the Alliance, he said.

British Shipbuilders wins £5m orders for barges

BY ANDREW FISHER, SHIPPING CORRESPONDENT

BRITISH SHIPBUILDERS has won orders worth nearly £5m to build two barges for the offshore construction industry, bringing its total new order intake in 1985 to £170m.

They will be built at the Austin and Pickersgill yard, Sunderland, which recently won a £28m contract to build two multi-purpose cargo ships for an unnamed owner to be operated under the Liberian flag.

The non-propelled barges, each able to carry 14,000 tonnes, have ben ordered by Smit International of Holland and J P Knight (Offshore) of Rochester, Kent. Delivery will be in September and November. They will be 300 ft long and 100 ft wide.

The orders will fill a gap in the workload of the yard, which needs steelwork to keep part of its workforce busy until a start is made on the Liberian ships.

The Sunderland yard, which is cutting its workforce, includinf clerical staff, from more than 1,800 to about 1,150, hopes an option for a third Liberian-flag ship will be exercised later this year, said Mr George Parker, the managing director.

This would keep the yard in full operation until April 1987, he added. In February a productivity deal was agreed there, helping it to win the Liberian flag contract.

The barge orders are the first won by a BS yard in the latest financial year, which began on April 1. Mr Graham Day, chairman of BS, congratulated Austin and Pickersgill on winning the orders and 'opening the batting for the 1985-86 order season."

In the 1984-85 financial year BS booked new merchant orders totalling 200,000 compensated gross tonnes—a measure ment of both work content and size—double the level of the previous year.

Bank appointed for newspaper group flotation

Financial Times Reporter

NOBLE GOSSART, the Edinburgh-based merchant bank, has been appointed to handle the planned flotation of the Scottish Daily Record and the Sunday Mail, part of Mr Robert Maxwell's Mirror Group.

Mr Maxwell said yesterday that a Stock Exchange listing would be sought this summer for the Scottish arm of the group. Pergamon Press, his private company, is expected to retain a majority shareholding in the offering, which could value the papers at between £40m and £50m.

The two newspapers have been held up by Mr Maxwell as an example to the rest of the group. They are expected to make £3m-£4m profits this year on turnover of £55m, in contrast with the London and Manchester titles which are expected to make £1m on a £280m turnover.

Record car sales in first quarter

BY JOHN GRIFFITHS

UK NEW car registrations in the first three months of this year reached 503,148—a first quarter record, according to Society of Motor Manufacturers and Traders statistics.

The total exceeded by 0.06 per cent the previous record, set in the first quarter of last year. However, last year's momentum was not sustained, and total sales, at 1.75m, were well below 1983's record 1.79m (although still the second highest). The pattern is expected to be repeated this year.

In March, for the first time this year, the imported proportion of total sales topped the 60 per cent level. It accounted for 60.55 per cent of the month's 187.967 total sales, compared with 56.05 per cent of the 177.189 sales recorded in the same month last year. During the quarter imports took 57.9 per cent of sales against 56.8 per cent in the 1984 period.

Once again, imports by UK-based multinationals were a big factor—55 per cent of Vauxhall/Opel's sales were imports last month, as were 48 per cent of Ford's

More than 47 per cent of Ford's first-quarter sales were imports, compared with 40.74 per cent in the first quarter of last year, due largely to its six-week-long sewing machinists' strike.

Vauxhall/Opel increased UK-assembled cars at a proportion of its total first-quarter sales, to 44.8 per cent from 37.42 per cent compared with the same period last year. This was outweighed by the trend at Ford and at Peugeot Talbot. The latter saw a sharp rise in sales of cars imported from France last month, notably of the Peugeot 205 small hatchback.

These were up 67 per cent in March on the same month last year and accounted for more than two-thirds of Peugeot Talbot's sales.

Its UK-produced sales were also up, by 31 per cent, giving Peugeot a March market share of 5.34 per cent, only the second time it has broken through the 5 per cent level since the summer of 1983.

Ford, the market leader's share of sales continued a slow drift down from its traditional 30 per cent. The company sold 49,167 cars in March for a share of 26.17 per cent (27.16 per cent in March last year) and its first-quarter share fell to 26.12 per cent (27.14), partly because of the strike.

Vauxhall's market share dropped sharply last month from the start of the year, when it was achieving over 20 per cent. It achieved only 15.11 per cent market share, and for the first time this year fell behind Austin Rover, which achieved 16.49.

For the quarter as a whole, however, the General Motors subsidiary stayed ahead of BL's volume cars division, with a share of 18.42 per cent against Austin Rover's 18.04.

The 10 best sellers in March were: Ford Escort 15,504, Ford Fiesta 14,627, Vauxhall Cavalier 11,736, Austin/MG Metro 10,056, Ford Sierra 8,870, Austin/MG Montego 8,425, Vauxhall Nova 7,487, Ford Orion 7,151, Vauxhall Astra 5,992, Austin/MG Maestro 5,078.

UK CAR REGISTRATIONS

	March 1985	%	March 1984	%	January-March 1985	%	January-March 1984	%
Total market	187,967	100.00	177,189	100.00	503,148	100.00	502,861	100.00
UK produced	74,147	39.45	77,866	43.95	211,806	42.10	217,251	43.20
Imports	113,820	60.55	99,323	56.05	291,342	57.90	285,610	56.80
Ford	49,186	26.17	48,116	27.16	131,423	26.12	136,483	27.14
BL—								
Austin Rover	31,003		35,968		89,773		90,203	
Range Rover	237		189		1,013		914	
Total BL	31,240	16.62	36,157	20.41	90,786	18.04	91,117	18.12
General Motors—(Vauxhall-Opel)	28,399	15.11	27,713	15.64	92,670	18.42	94,994	18.89
Nissan	12,431	6.61	8,145	4.60	19,459	3.87	20,838	4.14
VW-Audi	11,689	6.22	11,299	6.38	31,671	6.29	28,425	5.65
Peugeot Group	12,965	6.90	10,223	5.77	28,659	5.70	28,923	5.75
Renault	7,904	4.20	6,917	3.90	21,059	4.19	18,780	3.73
Volvo	7,427	3.95	4,723	2.67	18,275	3.63	1,666	3.31
Fiat	4,464	2.37	4,245	2.40	13,213	2.63	13,694	2.72

Source: Society of Motor Manufacturers and Traders

AP nears completion of move from Banbury

Automotive Products will complete the transfer of parts distribution and ancillary operations from Banbury, Oxfordshire, to smaller facilities at Leamington Spa, Warwickshire, by the end of September. The Banbury parts centre, when built in the early 1960s, was the biggest in Europe.

AP said the move resulted mainly from the long decline in the UK motor industry and the international component purchasing policies of the world's major vehicle producers.

Mr George Pears, AP's chairman, said: "In the intensely competitive atmosphere of the components industry we just cannot afford to keep under-used capacity."

The Banbury plant employs 640, all of whom are being offered jobs at Leamington.

Godfrey Hodgson and Raymond Snoddy talk to Alisdair Milne

BBC prepares to defend its territory

IT WAS a characteristically combative message Mr Alisdair Milne, director general of the BBC, delivered on the Peacock Committee set up by the Government to investigate the possibility of the corporation taking advertising.

"Peacock has got to get the point. If you are going to break up the provincial press, close down local radio, decimate ITV, one way of doing it is to bring the BBC into the advertising field."

Mr Milne was talking about the corporation's future for the first time since the linked announcements of £58 licence fee and the establishment of the Peacock Committee.

Ideologically the BBC is not opposed to advertising. "But," said Mr Milne, "I simply do not believe that the quantity of money needed can be raised in this country in addition to existing advertising."

In a wide ranging interview, Mr Milne spelled out the corporation's determination to fight those who were trying to break it up and restated its undiminished commitment to popular broadcasting.

The first task, he said, was to get a budget sorted out to put to the governors in May.

"Mr Leon Brittan (the Home Secretary) said to me that £58 is enough to continue the existing operations at their present level and standard and I don't think he is right."

In trimming £65m from its budgets, the BBC would concentrate on the heartland of its operation—BBC Television—and after that on local and network radio, "so that if we had to contract, we would be contracting, I imagine, in regional areas."

Mr Milne thought it unlikely the commitment to increase the numbers of local radio stations to 38 could be met, but in spite of financial constraints the BBC would continue to try to compete for at least half of the audience with popular programming.

"It is a total fallacy that commercial television does it better, because it manifestly hasn't done it better across the years. We would, I think, simply cease to function as a responsible public corporation if we abandoned the things that in some ways we are best at, like comedy and popular drama.

"If, as some would like it, we were driven away from majority programming into what, they say, we 'do best old boy' like Radio 3, we would actually contrive the death of public service broadcasting. Comedy series and classic drama were equally important."

The ratings appeared to be moving against the BBC because it lacked the money to broadcast properly in the afternoons, but Mr Milne maintained: "After six o'clock at night, the BBC has 52 per cent of the audience."

What surprised the director general during the licence fee campaign was the "extreme malevolence of certain organs of the Press for pure profit motive.

"Fleet Holdings, with a massive stake in TV-am, would like to see Breakfast Time off the air. They think competition is a bad thing in some instances.

"Murdoch is clearly interested in satellite and would like to see us out of DBS (direct broadcasting by satellite) and would like to see no competition in satellites."

But why is the BBC so unpopular with Conservative politicians?

"There is a broad feeling that we are in the public sector and all bodies in the public sector are unpopular, particularly one that appears massively powerful in the communications field and appears in their terms 'unpatriotic'—I'm thinking of the Falklands—arrogant, dismissive, etc. To that extent, one expected the hostility of some sections of the political parties and of the Conservative Party in particular."

Alisdair Milne: Commercial TV hasn't done it better

The BBC believes the pressure is on to break the corporation up because it is too large and powerful, as a minority of the Annan Committee suggested.

"But now it's a real hunt." Mr Milne said. The call had gone out to oust the BBC from breakfast television, local radio and other areas where it represented competition, to break it up and sell off the franchises.

But the BBC was prepared to fight to prevent amputations of its services and that included Radio I and breakfast television.

"Thirty per cent of our audience listen to Radio I. It is £1 of the licence fee. It's very cheap. It is our major contact with the youth of this country for good or ill."

Privatisation of the BBC activities such as cleaning or training would make savings only at the margin compared with the funding of the television service, which accounts for two-thirds of BBC costs.

But as the BBC faces its greatest political challenge, Mr Milne is convinced its programme quality is about to come right after "a few hicoughs."

Five years ago, Mr Milne believes, the BBC was very strong and knew exactly what it was doing in popular drama, comedy and documentaries and long-running series "which gave a solidity to the whole network." Then came the "mad argument" about Jewel in the Crown and The Thorn Birds, which, unfair thought it was, eroded outside confidence in the Corporation.

But, he insists, "now we're settled. I know that the material coming up is of the sort of quality I seek and think we're better pitched than we were a year ago."

Lords votes to place levy on TV feature films

BY IVOR OWEN, PARLIAMENTARY CORRESPONDENT

THE BBC and the independent television companies again face the prospect of a levy on all feature films they screen as a result of a 15-vote defeat inflicted on the Government in the House of Lords on Thursday.

The peers decided by 77 votes to 62 to add a clause to the Films Bill designed to provide more financial support for the British film industry by imposing a levy on pre-recorded video cassettes and blank video tape, as well as feature films shown on television.

Mr Norman Lamont, the Industry Minister, argued strongly against the imposition of the levy on the BBC and ITV organisations in February, when a similar provision, inserted by MPs when the Government was defeated in the standing committee which considered the Bill was overturned on the floor of the House.

His principal arguments were reiterated by Lord Lucas of Chilworth, Under-Secretary for Trade and Industry, who said £2m would be ploughed into film production each year for the next five years by a consortium of production companies.

The film industry was no different from any other commercial industry, he said, and should not require the support of a levy.

The new clause gained support from peers of all parties. Baroness White (Lab) said: "The only way you can keep a flourishing film production industry is by some way of spreading the resources between the different parts of the industry more evenly."

The government is expected to call for rejection of the clause when the Bill returns to the Commons.

Luncheon Voucher bought by French-based Accor

BY LISA WOOD

LUNCHEON VOUCHER, the meal-voucher company, has been bought for an undisclosed sum by Accor, the fast-expanding French-based international hotel and catering group.

LV, the market leader in Britain, was jointly owned by Allied Lyons, Associated British Foods, Grand Metropolitan and Trust House Forte.

Accor, active in the luncheon-voucher business in nine countries, has been trying to enter the British market for some time through TR Vouchers, its subsi[illegible]. TR's activity in Bri[illegible] was reduced last year af[illegible] on less than 2 per cent m[illegible] share.

[illegible] Olivier de Bosredon, LV's new managing director and former head of TR's British operation, said yesterday that Accor was the international leader in the meal-voucher market, operations of which included Mexico, Brazil and Europe.

He said the luncheon-voucher market was big in Britain and Accor believed acquisition of LV would consolidate its market position as a world leader. He said LV was a well-run company but that Accor would bring its international knowledge to it.

It is thought LV's four owners sold because to each shareholder the company represented a small amount of total business while commanding a disproportionately large amount of executive time, and because no one group could fully direct it.

Mr Bosredon said: "We made an offer and it was accepted."

NUT chiefs seek to intensify strike action

By David Brindle, Labour Staff

LEADERS of the National Union of Teachers will today urge the union's annual conference to intensify strike action over pay next term, but without hitting examinations.

Significantly, the NUT executive will recommend the conference at Scarborough to reaffirm its standing pay policy, including refusal to go to arbitration to settle the dispute.

The employers have from the outset expected the dispute to end at arbitration. If the NUT, the dominant teachers' union, today sets its face firmly against such a course, then hopes of an early settlement will recede.

However, the employers will be relieved that the NUT leadership has decided to oppose anticipated calls from militant members to disrupt exams to force a quick end to the dispute.

The lengthy resolution to be put to conference by the executive envisages putting pressure on the Government by concentrating the pay campaign in "sensitive constituencies," indicating that ministers' constituencies may be pinpointed.

Areas of the union would be given discretion to call strikes of up to three days' duration and to repeat them at the same schools in successive weeks. The union would also work to make teachers' pay an issue in the May county council elections.

All members would be urged to impose two further sanctions outside school hours: refusal to prepare pupils' reports and refusal to be involved in curricula innovations. A levy of one day's net pay would be imposed to raise up to £4m to finance the continuing campaign.

Mr Fred Jarvis, NUT general secretary, said yesterday that the only way for the dispute to be resolved was for the Government to make extra funds available for a substantial improvement in the present 4 per cent pay offer.

NHS 'can afford 10% pay rise'

By David Brindle

UNIONS REPRESENTING about 250,000 ancillary health workers say the National Health Service can afford a pay rise of almost 10 per cent. They made this claim after rejecting an offer of a flat rate rise of £3.15 a week and shift pay improvements, a package said by employers to be worth 4.2 per cent.

The unions say the NHS should have about £100m available for ancillary workers' pay, because the budgeted 1984-85 pay bill of almost £1.1bn was underspent by £68.7m, which should be carried over and added to this year's cash limit funds.

The Health Department has not commented on the figures but its officials are likely to say any surplus of pay funds should go to patient care.

Further, the department is countering the unions' pay case by saying the ancillary worker's average earnings rose by 5.4 per cent in the past year, almost 1 per cent above the 4.5 per cent pay award.

The department's flat rate offer would add between 4.5 per cent and 3.4 per cent to current rates, which range from £68.98 to £92.20 a week. A hospital porter, earning a basic £71.73, would be 4.4 per cent better off.

On shift pay the department has offered to raise the hourly premium for three-shift workers from 16.7p to 17.5p, and for two-shift workers from 10.5p to 10.9p.

More talks are scheduled to take place within the next fortnight. Mr Bob Jones, secretary of the union side of the negotiating body, said progress depended on the willingness of regional health authority chairmen to authorise a substantially improved offer in recognition of the low pay of ancillary staff.

Offer to power workers raised

LEADERS of 80,000 manual power workers have been offered what they term a marginal increase on the 4.5 per cent to 5.6 per cent pay package put forward a month ago. One negotiator yesterday described the offer as pennies only: another said it was worth less than 1 per cent.

Talks were adjourned until April 17 when union leaders will press electricity chiefs to raise the offer so that a recommendation to accept can be made in a ballot. Many power workers are hoping their loyalty to the industry in the miners' strike will be rewarded.

The four unions involved are claiming what they term a substantial rise, shorter working hours and improvements on pay bands.

Bank workers reject 5.5% English clearers' offer

BY BRIAN GROOM, LABOUR STAFF

MEMBERS of the Banking, Insurance and Finance Union have voted by more than two-to-one to reject a "final" 5.5 per cent pay offer to clerical staff from the main English clearing banks, raising the possibility of the first national pay dispute since 1981.

Bifu is committed to holding a ballot on industrial action if the Federation of London Clearing Bank Employers refuses to increase the offer in response to the union's £20 a week flat rate claim, worth between 8 and 33 per cent.

The union's English clearing bank section council has suggested an indefinite strike, but the national executive may not go that far. One-day stoppages are a likely option.

In a postal ballot, 29,181 bank workers supported the union's recommendation to reject the offer, and 12,245 voted to accept. The ballot covered clerical and managerial staff at Barclays, Midlands, Lloyds, National Westminster and Williams and Glyn's, plus computer staff at the last two.

A meeting with the employers' federation has been arranged for April 11, followed by an English clearing banks section council meeting on April 15 and a special executive meeting on April 18.

The banks are unlikely to make a further offer on April 11. They will await the result of a ballot by the non-TUC Clearing Bank Union on April 16. The CBU is urging members to reject the offer and ban overtime from May 1.

Under its constitution, the CBU needs a majority of 75 per cent on a 67 per cent turnout to take industrial action. If this majority is achieved in one bank but not overall, the CBU will consider implementing the overtime ban there.

Bifu and the CBU are in the early stages of merger talks. Bifu has suggested setting up working parties on structure and finance, but the CBU want the ground rules established on these issues first.

Meanwhile, Bifu is threatening industrial action in two local disputes.

Members at Midland's Manchester Airport branch, the only bank in the airport, have voted for one-day strikes in protest at the proposed closure of the branch later this year.

Night audit staff at Lloyds' Sampson House computer centre, south London, have voted for one-day strikes over a claim for a higher shift premium and shorter hours.

One hurdle before final accord on Post Office's historic event

David Goodhart on the package agreed by Post union chiefs on new technology and working practices

THURSDAY'S unanimous decision of the executive of the Union of Communication Workers to accept the Post Office's final offer on working practices was met with a shower of superlatives on both sides.

Sir Ron Dearing, Post Office chairman, described it as an historic event and added: "1985, the 350th anniversary of the Post Office, is well on the way to being the key year of the 20th century."

Mr Alan Tuffin, general secretary of the UCW, said the new technology-working practices agreement was comparable with anything agreed over recent years in outside industry.

The essential benefits for the Post Office and its customers will be unimpeded use of new technology, more reliable service through better distribution of manpower, and savings estimated at £180m. The chairman said it would mean price increases could be spaced further apart.

The staff stand to pick up over 50 per cent of any cost savings which will mean additional bonuses of between £7 and £14 a week.

There will also be provision at local level to trade off some of that bonus for a one hour reduction in the working week from 39.2 to 38.2 hours and — as far as possible — move to a five-day week within a six-day service. In addition the Post Office has offered a no compulsory redundancy agreement.

So, there is no doubt there are considerable benefits on both sides but there is still one more hurdle to overcome before final settlement.

Most of the package — covering unrestricted use of mechanised equipment, introduction of new technology, and completion of the productivity scheme — will start being applied from next week.

To ease the change all 120,000 postal staff will get a £100 one-off bonus — to be increased to £250 in the event of the programme being completed.

However, the union's annual conference in mid-May will then have to retrospectively approve the deal and, in the unlikely event of it refusing to do so, the £100 bonus will be recouped.

The union leadership will also have to persuade the conference to change its mind on part-timers.

In probably the biggest single concession squeezed out of the Post Office, the management agreed last Saturday (with subsequent minor amendments) not to actually use any new part-timers and restrict recruitment to only 2,000 before June 17.

By that date a full agreement on the employment of another 12,000 to 20,000 part-timers must be accepted by the union or the Post Office will introduce them without union co-operation.

Mr Tuffin is confident that the 5:1 rejection of extended use of part-timers at the special conference last month can be clawed back, but it could still be touch and go.

The events of the last week will have strengthened his hand. As Sir Ron Dearing put it: "The membership has seen the resolution of the Post Office in facing up to confrontation. Our history has been one of consensus management because of the disruption to the public caused by an interruption in service, but were prepared to go over the brink on the OCR issue and that has changed people's understanding."

'The membership has seen the resolution of the Post Office in facing up to confrontation'

Delegates will know in May that if they vote down negotiations on part-timers they will have to persuade the rank and file to vote for action in a national strike ballot against a bullish Post Office which will not hesitate to use the law.

Asuming the conference does support negotiations, there will be a concentrated burst of talks at the end of May and beginning of June over the part-timers issue and the results will be put out to a ballot ready for the expected acceptance on June 17.

The outline of what has been agreed was sketched out in long negotiations last year. The union has pushed the Post Office into a few more minor concessions in the three weeks since the special conference. Assuming the second attempt to convince the conference to change tack on part-timers and the productivity scheme is successful, the Post Office will have won virtually everything it wants, which is:

- New technology and mechanisation: Immediate unrestricted use of mechanised equipment. Introduction of optical character recognition machinery at 20 main sorting offices. In both cases staff will receive £1.50 for every working hour saved, about 60 per cent of the savings.
- The productivity scheme: The Post Office has wanted to extend the scheme from the 57 per cent of staff it covers to making it mandatory nationwide. Assuming the conference approves it, the scheme will be extended along with traffic measurement techniques to all offices. However, the union insists that manpower savings will not be mandatory. In addition Mr Tuffin said the previous staff share of 55 per cent of manpower savings will be extended for three years to include 50 per cent of the far smaller capital cost savings.

If the part-timers reform is accepted the big overtime workers will have their bonuses hit but another part of the deal is a new contractually agreed overtime attendance.

Another benefit from the provisional deal is that the Post Office has said it will go ahead with the heavy parcels Halcon project to try to eat into the mail order market. The project had been shelved because it was dependent on winning agreement on more flexible staffing. If it now gets going it could create about 500 jobs.

In the longer run that will not be enough to compensate for the full-time jobs that will go when the present number of 8,600 part-timers is quadrupled but it may help the leadership's tricky selling operation in Bournemouth next month.

F.T.-ACTUARIES SHARE INDICES

QUARTERLY VALUATION

The market capitalisations of the groups and sub-sections of the FT-Actuaries indices as at March 29, 1985 are expressed below in millions of pounds and as a percentage of the All-Share Index. Similar figures are also provided for December 31, 1984 both before and after the 1984 year-end changes.

EQUITY GROUPS & SUB-SECTIONS (Figures in parentheses denote number of stocks)	Market capitalisation as at Mar. 29, 1985 (£m.)	% of all share index	Market capitalisation as at Dec. 31, 1984 (£m.) †	% of all share index †	Market capitalisation as at Dec 31, 1984 (£m.)	% of all share index
1 CAPITAL GOODS GROUP (206)	35,068.3	17.28	35,673.0	18.46	35,673.0	18.46
2 Building Materials (23)	4,998.8	2.46	5,072.1	2.62	5,072.1	2.62
3 Contracting, Construction (29)	2,218.9	1.09	2,348.2	1.22	2,348.2	1.22
4 Electricals (15)	1,326.0	0.65	1,279.0	0.66	1,279.0	0.66
5 Electronics (36)	12,094.2	5.96	13,890.4	7.19	13,800.2	7.14
6 Mechanical Engineering (62)	6,031.2	2.97	5,406.2	2.80	5,406.2	2.80
8 Metals and Metal Forming (8)	748.5	0.37	638.2	0.33	1,095.5	0.57
9 Motors (17)	2,008.8	1.00	1,877.1	0.97	1,419.9	0.73
10 Other Industrial Materials (16)	5,642.0	2.78	5,161.8	2.67	5,261.9	2.72
21 CONSUMER GROUP (180)	64,082.5	31.87	61,966.7	32.07	62,473.0	32.33
22 Brewers and Distillers (23)	8,807.3	4.33	8,764.6	4.54	8,764.6	4.54
25 Food Manufacturing (31)	8,138.1	4.01	7,378.6	3.82	7,645.3	3.96
26 Food Retailing (13)	6,478.2	3.19	6,281.8	3.25	6,281.8	3.25
27 Health and Household Products (9)	9,431.5	4.65	9,370.2	4.85	9,370.2	4.85
29 Leisure (22)	4,172.0	2.06	4,398.5	2.28	4,398.5	2.28
32 Newspapers, Publishing (12)	1,487.9	0.73	1,177.2	0.61	1,177.2	0.61
33 Packaging and Paper (14)	2,154.2	1.06	1,932.2	1.00	1,932.2	1.00
34 Stores (44)	14,858.1	7.32	13,904.8	7.19	13,904.8	7.19
35 Textiles (19)	2,049.4	1.01	1,927.6	1.00	1,927.6	1.00
36 Tobaccos (5)	6,506.8	3.21	6,831.2	3.53	6,831.2	3.53
39 Other Consumer (—) (7)	—	—	—	—	239.7	0.12
41 OTHER GROUPS (97)	36,709.7	18.09	32,017.4	16.56	31,511.1	16.30
42 Chemicals (17)	7,699.5	3.80	7,256.7	3.75	7,256.7	3.75
44 Office Equipment (4)	917.2	0.45	799.7	0.41	799.7	0.41
45 Shipping and Transport (11)	1,488.5	0.73	1,662.9	0.86	1,662.9	0.86
46 Miscellaneous (63)	11,072.0	5.46	9,156.6	4.74	8,660.3	4.48
48 Telephone Networks (2)	15,532.6	7.65	13,141.5	6.80	13,141.5	6.80
49 INDUSTRIAL GROUP (483)	135,860.6	66.94	129,887.1	67.09	129,657.1	67.09
51 Oils (17)	21,530.5	10.61	19,729.0	10.21	19,729.0	10.21
59 500 SHARE INDEX	157,391.1	77.55	149,386.1	77.30	149,386.1	77.30
61 FINANCIAL GROUP (118)	29,911.6	14.74	29,188.5	15.10	29,188.5	15.10
62 Banks (6)	7,326.7	3.61	7,171.6	3.71	7,171.6	3.71
63 Discount Houses (—) (6)	—	—	—	—	262.2	0.14
65 Insurance (Life) (8)	4,439.0	2.19	4,464.2	2.31	4,464.3	2.31
66 Insurance (Composite) (7)	5,283.4	2.60	4,830.0	2.50	4,830.0	2.50
67 Insurance Brokers (7)	2,068.3	1.03	1,799.3	0.93	1,799.3	0.93
68 Merchant Banks (11)	1,313.2	0.65	1,676.7	0.87	1,676.7	0.87
69 Property (50)	6,301.5	3.10	6,638.1	3.43	6,638.1	3.43
70 Other Financial (26)	3,179.5	1.57	2,608.6	1.35	2,346.4	1.21
71 Investment Trusts (106)	10,416.3	5.13	9,923.8	5.13	9,923.8	5.13
81 Mining Finance (4)	3,332.6	1.64	2,949.7	1.53	2,949.7	1.53
91 Overseas Traders (14)	1,905.0	0.94	1,814.1	0.94	1,814.1	0.94
99 ALL-SHARE INDEX (739)	202,956.6	100.0	193,262.2	100.0	193,262.2	100.0

† After year-end changes

THE WEEK IN THE MARKETS

Share prices hanging in limbo

LONDON

ONLOOKER

LOOKING towards Throgmorton Street is appears as if a large number of investors have decided to foresake the stock market and take an early Easter break. Trading in equities has been fairly thin all week, one broker described himself as "Hanging in limbo."

With the foreign exchange markets stealing the limelight his torpor is understandable. By Thursday evening sterling seemed to be sinking over the horizon as the dollar flexed its muscles again. With a four day break in front of them, London market dealers decided that it would be poor strategy to be short of dollars, especially as there were thoughts that Thursday evening's weekly M1 figures might point to higher U.S. interest rates.

On the domestic front the two clearing banks, which held out against the half point cut by their two rivals, decided to trim their base rates too this week. Yet, despite encouraging words from Mr Lawson that lower interest rates look right, Barclays and Midland only cut their rates by ¼ point—still ¼ over NatWest and Lloyds.

The calls on institutional funds kept coming with a Lasmo rights issue and the £96m rights from Saatchi and Saatchi while the drafting of the preliminary prospectus for British Aerospace, published on Wednesday, is a timely reminder that investors are going to be writing out cheques for about £300m of partly paid stock by next month.

So institutions are unlikely to rush out and buy equities though there have been small bursts of activity where the rumour mills are working overtime on bid prospects. Commercial Union is again coming up as a likely target, as is Tricentrol (now the oil sector's flavour of the month in this respect in place of Lasmo). Also a fair amount of speculation is surrounding Ocean Transport & Trading following the disclosure that P & O has built an 8 per cent stake. Sir Jeffrey Sterling is not a man to make trade investments.

Rethinking BAe

British Aerospace has published a draft prospectus as a forerunner to next month's offer for sale of all the Government's remaining shares and the group's own plans to launch a one for four equity issue. In total, investors will be asked to stump up around £600m, including £200m for the group's own coffers.

Coming so soon after last week's preliminary results the document should not have contained any surprises for the market and, indeed, while the vast part of the wordage added little to the sum of human knowledge, the management's thoughts about the prospects for civil aircraft demand turned out to be gloomier than expected.

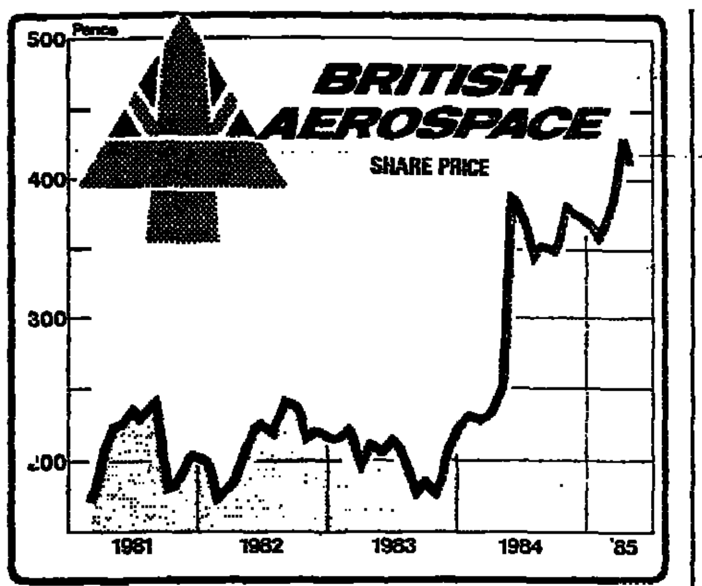
In 1984 BAe's profits rose by 46 per cent to £120m. Within that the civil aviation profits fell from £13.6m to £7.6m, ignoring the large sums of money pushed into aircraft development, which is treated outside of the sector breakdown. For the most part the analysts had assumed that there would be a modest improvement in civil aircraft profits in 1985. The real upturn in demand is still some way off but a profit of around £10m or more seemed a reasonable expectation for this year with the group making £150m pre-tax in all. Some forecasts were as high as £155m.

The prospectus, however, suggested that there would be no such upturn in civil aircraft profits. While the text assured the reader that the directors believe that the long term outlook is good, and currently demand for the Jetstream 31—a small turbo-prop craft capable of carrying up to 19 passangers—is encouraging, orders for larger aircraft are lower than anticipated.

The improving health of a number of the world's airlines is undoubtedly encouraging for the years towards the end of this decade but it now looks as if BAe will achieve little more than break-even on its civil aircraft in the next couple of years.

Immediately that message sank into the market the price lost 18p to 412p as the analysts dropped their forecasts for the current year to around £140m.

Now, in a slightly bearish frame of mind, a couple of the analysts pinpointing some other areas of doubt. While 1984's profits came through to the earnings line without any costs for redundancies, unlike 1983, those charges could feature again. Also the tax charge looks to be heading up in percentage terms. So even if the group can maintain a good performance at the pre-tax line, earnings per share growth is likely to lag somewhere behind. All is not going quite as smoothly as the Government might have hoped in the run-up to the sale.



Blue Circle in U.S.

Blue Circle, the UK's largest cement manufacturer, has entered into a deal which left a few observers scratching their heads. The group is buying Atlanta Cement, a subsidiary of the U.S. minerals company, Newmont Mining, for $145m (£120m). For its cash Blue Circle will get an extra 2.3m tons a year of cement capacity and a distribution network.

BCI already has a U.S. presence, through its purchase in 1923 of three cement making plants for $103m from Martin Marietta, giving it a possible output of 2m tons a year. What had investors pondering the latest deal, however, was not the need for extra capacity but how the group could justify spending $145m on a group which made profits before tax of a mere $3.6m in 1984.

Obviously there has to be more to the purchase than immediately meets the eye. For a start, cement prices have been rising in the U.S. and today a producer could expect to achieve something around $7¼ to $8 per ton for portland cement and, say, $2¼ per ton for blast furnace slag. So, assuming Atlanta is selling at prices around that level the prospects for this year look much better. It could achieve $12¼m pre-tax, but even that means the purchase only washes its face in terms of covering its financing costs. In fact Atlanta could do a great deal more for BCI than that.

To the weekend DIY hobbyist a bag of cement is a bag of cement but the process that the manufacturer has employed to achieve that result is a continually evolving process. There are considerable cost savings to be had by shifting away from a traditional wet manufacturing plant to a dry or semi-dry process.

The terms may not mean much to the layman but by putting in such equipment as a filter press and a crusher drier, fuel costs can be significantly reduced and with that equipment the manufacturing process allows much greater use of the kilns. In theory output could treble. And, no doubt, BCI will be looking at ways of reducing its labour costs at some point.

BCI may not be saying very much about the future of its U.S. operations yet, but it has not paid $145m for $3.6m of earnings. With modifications to the plant there could be substantial earnings improvements—within a couple of years profits might be five times greater than they were in 1984.

Another U.S. deal

Blue Circle's purchase in the U.S. is important to its development but nowhere near as critical as Sedgwick's U.S. acquisition, which jumps it up the league table of world insurance brokers to the number two slot behind Marsh & McLennan.

Sedgwick has spent the past seven years looking for a U.S. partner. It was the first to forge the way across the ocean to negotiate what could have been one of the first of the mega-groupings but its attempts to bring itself closer to Alexander foundered. Now it has struck an agreement to buy Fred S. James, the world's sixth largest broker behind Sedgwick in fifth place.

The nuts and bolts of the purchase is that the UK broker will issue voting and restricted voting shares to James' parent, Transamerica, putting a value of £533m on the acquisition. Transamerica, a U.S. financial conglomerate, will end up with 39 per cent of the enlarged equity of Sedgwick but only 29 per cent of the votes.

There are several obvious reasons why Sedgwick needs a U.S. broker. It has a prime position in London to handle wholesale business from the U.S. though it has lost ground to other London brokers who have forged links with their U.S. counterparts and thus pulled wholesale business away from Sedgwick. And while Sedgwick has a good position as a retail broker—dealing direct with clients—around the world, it lacks an exposure to the important U.S. market. James gives the UK house the presence it needs.

For Transamerica, Sedgwick's offer must look like all its Christmases have come at once. It only paid $300m for James two years ago, and the book profit is sufficient enducement to stay as a large minority holder in the enlarged group for the four years it is locked in.

As for the terms, Sedgwick has been a touch generous. James's historic after-tax profits were equivalent to £24.1m in 1984 compared to Sedgwick's £50.2m post tax. But James's is forecasting £43.9m pre-tax for the current financial year which after tax could add £30m to Sedgwick's 1985 earnings which the market is already expecting to be around £66m. So James is being bought on a prospective multiple of around 18 which is certainly high enough and shareholders in the UK group will probably see some dilution.

Lasmo's right

Along with its full-year figures, showing a £23m jump in pre-tax profits to £113m, Lasmo launched a one-for-four rights issue to raise £67.3m. The issue is hardly unexpected for the group had made little secret of the fact that expenditure is budgeted to run ahead of cash flow for a year or two.

Yet if the issue looked inevitable it still met with a cool response in some quarters. Lasmo is traditionally highly geared—even after this rights issue gearing is still close to 50 per cent—and some analysts feel a little uneasy at the shape of the balance sheet especially as, to a large extent, Lasmo could be described as in a mature stage of development.

And the timing of the call could be a little dangerous. Unlike BP, for example, where the yield holds the share price through thick and thin, Lasmo's shares follow the vagaries of the oil market and about this time of year people start worrying about the oil spot price.

Another concern in the market is the way the group has come out with optimistic views on the Aretusa find after the first test. It is normal to wait until the confirmation of a couple more tests before explorers start banging the drum. The cynical believe Lasmo is putting as much into the shop window as possible. There may not be anything wrong with that but if Aretusa fails to live up to expectations the margin between the market price and the 285p issue price could get uncomfortably thin.

That said, existing investors will probably want to take up the issue on long-term considerations.

Terry Garrett

MARKET HIGHLIGHTS OF THE WEEK

	Price Thursday	Change on week	1984/5 High	1984/5 Low	
F.T. Ord. Index	962.5	−1.8	1,924.5	755.3	Trend influenced by sterling
Allied Textile	505xc	+113	527	241	Bid from London & Midland
Bentalls	88	+25	88	40	Asset value considerations
Blockleys	575	+35	606	349	Record results
Blue Circle	485	−30	528	355	Concern about U.S. acquisition
Carpets Intl.	59	+10	69	19½	Speculative demand
Cookson	693	+138	693	232	Bumper profits/scrip issue
Fitch Lovell	210	+14	210	148	Takeover speculation
Grand Metropolitan	295	+17	360	270	U.S. cigarette price reports
Home Charm	320	+28	322	114	Re-rating after results
LASMO	337	−13	385	257	£67.3m rights issue
Metramar Chemicals	52	+6	58	28	Bid rumours
Oceonics	110	−30	300	105	Company up for sale
Pearson	705	+12	718	403	Annual results/scrip issue
Racal Electronics	198	−14	288	190	Tax-loss selling
Reardon Smith	18	−9	47	4	Spec. bull positions liquidated
RTZ	638	−22	718	500	Prelim. results due April 17
Ultramar	243	+16	361	192	Bid speculation
Valin Pollen	510	+70	510	160	Dutch acquisition
Windsor Secs.	58	+8	62	31	Lander Invs. increases stake

David & Goliath

NEW YORK

TERRY DODSWORTH

THE U.S. investing public appears to have reached the conclusion that equities are adequately valued for the time being. But the entrepreneurs and dealmakers who have been such a part of the scene for the past two years still seem to be looking at another set of figures.

Once again this week dealmakers have been extraordinarily active, launching bids, influencing the market and generally giving the impression that there are still plenty of undervalued companies around.

The most positive offer came in the leisure sector with a two-part bid for Hilton Hotels from the little-known Golden Nugget, a casino and hotels company with operations in Nevada and New Jersey. The issue is complicated because Golden Nugget needs to acquire a block of Hilton shares in dispute between Barron Hilton, the chairman and trustees for the estate of his legendary father, Conrad Hilton.

It is also the sort of potential David and Goliath combat which investors might have dismissed as ridiculous a couple of years ago—Hilton had net profits last year of $114m, while Golden Nugget earned only $5.3m. But T Boone Pickens has taught everyone the effectiveness of leverage in his assaults on the giant oil companies, and plenty of investors are willing to take a flutter on Golden Nugget—the shares jumped by $8.50 on Tuesday to $72.25 in response to the offer.

Sir James Goldsmith also emerged this week with an offer for Crown Zellerbach, the forest products group he has been stalking since last December. The bid caused only a mild flutter in Crown's price, partly because the shares have already appreciated by 40 per cent in the past four months, but partly because there is an extra complication in this deal in the form of a "poison pill" designed to ward off unwelcome takeovers.

Sir James is the first Wall Street bid specialist to try and neutralise one of these new defence devices, so his tactics are attracting great attention among the investment bankers and lawyers who have made such a killing from the takeover boom.

Since there does not appear to be another potential bidder for Crown on the horizon, and since Sir James has rejected the possibility of "greenmail"—the practice of buying out a shareholder like himself at a premium—it looks as though he has thought through a battle plan.

If the Crown Board is not agreeable to his proposals, he says, his first step will be to launch a proxy fight for boardroom representation.

As the market took stock of these two firm new bids, Pickens was himself down in Washington at Congressional hearings trading insults with Fred Hartley, the chairman of Unocal, his latest target.

At the same time, bid rumours continued to swirl around CBS, the U.S.'s largest broadcasting group, and Gulf & Western, a former takeover specialist whose appetite for gobbling up unconnected companies in the conglomerate era has made it a prime target in the now fashionable process of deconglomeration.

And all this followed one of the biggest non-oil mergers in history—a $6.bn deal announced at the weekend between Hospital Corporation of America and American Hospital Supply. Although this agreement involves the somewhat obscure hospital sector, which has only recently emerged as a significant force on the stock exchange, this is a true mega-deal, which, Wall Street thinks, could easily be followed by other moves to rationalise the industry.

The abundant takeover activity, however, was not enough to add lustre to the pre-Easter market. With no trading on Friday, Wall Street finished the week showing a net loss on the Dow Jones Industrial Average of 7.73 points, a weakness compounded by comparatively modest trading volumes—the New York Stock Exchange registered only one day with share deals of more than 100m.

The main depressant on prices at the moment is the string of warnings from the corporate sector about first quarter profits. Brokers' reports last week were stuffed with lists of down-graded forecasts and advice to investors to concentrate on defensive, consumer-oriented sectors.

In the other main area of investor anxiety—the Federal budget deficit—the news from Washington was a little brighter on Thursday, but it still failed to give the equity market its traditional Easter boost. The announcement that some progress had been made on budget cuts, however, with President Reagan agreeing with Senate on a programme that, would trim $52bn from spending in the next fiscal year, led to a sharp rally in the bond market. All eyes will now be on the progress of these compromise proposals to see if they lead to a firm action. Wall Street believes that cuts could lead to a significant decline in interest rates which would, in turn, give a new fillip to equities.

Monday	1272.75	+5.97
Tuesday	1265.68	−7.07
Wednesday	1258.06	−7.62
Thursday	1259.05	+0.99

Oh fickle fashion . . .

TWO of the USM's more stylish companies are cutting much less of a dash this week.

Shares in Cecil Gee have fallen 28p to 140p since the men's fashion chain revealed that only property and currency profits saved it from a pre-tax loss in 1984.

And casualwear group French Connection has plunged from 360p to 270p after its broker cut back profit forecasts from £10m to £7¾m pre-tax. The results for the year to the end of January are due at the end of the month.

Cecil Gee has had a lively time on the USM since being floated in 1983, with the shares climbing as high as 195p late last year following news of bid talks.

Last week's results revealed just how volatile the fashion trade can be—pre-tax profits were down sharply from 1983's record £1.08m to £822,000 despite a strong increase in turnover from £16.46m to £20.65m.

But these numbers flatter the trading performance—the pre-tax profits include £615,000 from a property sale and £280,000 from currency gains drawn from the company's U.S. trading. Without these profits Cecil Gee would have made a £73,000 loss.

The chief cause was a £595,000 write-down on stock in the company's UK chain of high-fashion boutiques for the young and trendy—Gee 2—where the company's expansion plans are concentrated.

Michael Gee, the chairman, said stock had built up because a planned deal to buy 13 shops from H. Samuel, the jeweller, fell through. Though the company eventually bought seven stores, it was too late to cope with the stock which had been bought in advance.

This was compounded by poor autumn trading, brought on by an unusually late summer, which hit many High Street fashion retailers.

Gee said: "We have cleared everything out now. Our shops are full of this year's stock, not last year's like some others."

The company plans to carry on with its expansion plans, opening another nine branches this year to take the group total to 46—including Gee 2, and the more traditional outlets, Cecil GEE, Savoy Tailors Guild and other specialist shops in Central London.

Gee says that it is still too early to give any indication of prospects for 1985. However, profits of £1m pre-tax must be a reasonable target, which, assuming a 30 per cent tax charge, puts the shares on a multiple of 17½, which seems high enough given last year's performance. Speculative hopes that the Gee family, controlling 70 per cent of the equity, might yet sell at the right price are probably supporting the shares at these levels.

At French Connection, meanwhile, the full story has yet to be told. But it is clear that the group's newly-acquired U.S. distributor, Best of All Clothing, has suffered from slow autumn trading in American stores.

Unlisted Securities Market

BAC, where French Connection bought a 50 per cent stake in April, is a crucial part of the group—contributing £2.47m consolidated into the interim profit of £3.84m pre-tax.

Marks said that "basically" the company was performing well both in the UK and in the U.S., but in the U.S. it had met difficult conditions.

The earlier forecasts of the group's broker Grieveson Grant had been "over-optimistic." Grieveson would not comment on this remark but bringing down its forecast by 25 per cent looks like a clear admission that Marks is right.

Although £7¾m would still be a large increase on last year's £3.27m pre-tax profit, shareholders can be forgiven for feeling a little anxious until the results are out.

Stefan Wagstyl

BASE LENDING RATES

A.B.N. Bank	13 %	Johnson Matthey Bkrs.	13¼%
Allied Irish Bank	13¼%	Knowsley & Co. Ltd.	13¾%
Henry Ansbacher	13¼%	Lloyds Bank	13 %
Amro Bank	13 %	Edward Manson & Co.	14 %
Associates Cap. Corp.	14 %	Meghraj & Sons Ltd.	13¼%
Banco de Bilbao	13¼%	Midland Bank	13¼%
Bank Hapoalim	13 %	■ Morgan Grenfell	13 %
BCCI	13¼%	Mount-Credit Corp Ltd	13¼%
Bank of Ireland	13¼%	National Bk. of Kuwait	13¼%
Bank of Cyprus	13 %	National Girobank	13 %
Bank of India	13¼%	National Westminster	13 %
Bank of Scotland	13¼%	Northern Bank Ltd.	13 %
Banque Belge Ltd.	13¼%	Norwich Gen. Trust	13¼%
Barclays Bank	13¼%	People's Trust	14 %
Beneficial Trust Ltd.	14 %	Provincial Trust Ltd.	14¼%
Brit. Bank of Mid. East	13 %	R. Raphael & Sons	13 %
■ Brown Shipley	13¼%	P. S. Refson	13¼%
CL Bank Nederland	13½%	Roxburghe Guarantee	13¼%
Canada Perm'nt Mtge	13 %	Royal Bank of Scotland	13 %
Cayzer Ltd.	13¼%	Royal Trust Co Canada	13 %
Cedar Holdings	14 %	■ J. Henry Schroder Wagg	13 %
■ Charterhouse Japhet	13 %	Standard Chartered	‖13¼%
Choulartons**		TCB	13¼%
Citibank NA	13 %	Trustee Savings Bank	13¼%
Citibank Savings	¶12¾%	United Bank of Kuwait	13 %
Clydesdale Bank	13¼%	United Mizrahi Bank	13 %
C. E. Coates & Co. Ltd.	14 %	Westpac Banking Corp.	13¼%
Comm. Bk. N. East	13 %	Whiteaway Laidlaw	13¾%
Consolidated Credits	13¼%	Williams & Glyn's	13 %
Co-operative Bank	13 %	Wintrust Secs. Ltd.	13¼%
The Cyprus Popular Bk.	13 %	Yorkshire Bank	13 %
Dunbar & Co. Ltd.	13¼%		
Duncan Lawrie	13¼%		
E. T. Trust	14¼%		
Exeter Trust Ltd	13¼%		
First Nat. Fin. Corp.	14¼%		
First Nat. Secs. Ltd.	14 %		
■ Robert Fleming & Co.	13 %		
Robert Fraser & Ptns.	14 %		
Grindlays Bank	‡13 %		
■ Guinness Mahon	13 %		
■ Hambros Bank	13¼%		
Heritable & Gen. Trust	13¼%		
■ Hill Samuel	§13¼%		
C. Hoare & Co.	13¼%		
Hongkong & Shanghai	13 %		

■ Members of the Accepting Houses Committee.
* 7-day deposits 10%, 1 month 10.75%. Fixed rate 12 months £2,500 10.75%, £10,000 12 months 11.00%.
‡ Call deposits £1,000 and over 10%.
‖ 21-day deposits over £1,000 11¼%.
¶ Mortgage base rate.
§ demand deposits 10½%.
** See Provincial Trust Ltd.

Fire next door has damaged my house

BY OUR LEGAL STAFF

I live in a terraced house. The building next to mine was gutted by fire four years ago. Both houses are scheduled buildings, Grade 2. The owner of the burnt-out house has done nothing in the way of repairs and as a result the local council brought a compulsory purchase order against the owner who has now appealed against this and the appeal will be considered in due course by the Ministry of Environment. Meantime damp has penetrated the party wall in two places. The solicitor acting for the owner tells me that any claims I may make will be the responsibility of the council if and when the appeal goes in its favour. The solicitor to the council denies this. There seems to be no object at present in repairing the damage done as further damage may well occur until such time as a roof is built over the burnt-out shell. My insurance company, having paid for repairing damage done to my house at the time of the fire, disclaims any further responsibility.
What do you advise?

The better view is that the council will be liable once it has either entered or served notice of entry under the CPO. Until then the person whose interest the council is seeking to purchase would be liable. If necessary you can claim against both and if each seeks to pass the responsibilty onto the other you can sue both in the alternative.

Title deed held back

I purchased a leasehold property in December 1982 and discovered that the title deed was still with the landlord/vendor or another party.
I was advised to take legal proceedings against the solicitor who was handling my conveyancing.
After several months of correspondence between the two solicitors, he finally advised me to take legal proceedings against the landlord/vender or another party. He reckoned I should mitigate my loss from one of the three parties still holding back my title deed. This should be carried out first before I can prove my first solicitor's negligence.
The law society always advise one to engage a solicitor to handle one's conveyancing rather than a conveyancing body as the latter is uninsured. I feel I am not protected because if I took his advice it would cost a lot at the end of the day.

If your first solicitor has correctly handled the conveyancing you should be able to force the vendor to produce the requisite deeds; and you should require the solicitor to defray the cost of doing so himself. Otherwise you would have a claim against the solicitor for not conducting the transaction properly and negligently allowing you to part with the purchase price. In either case you could also claim a small sum in respect of the anxiety and disruption caused to you.

No legal responsibility can be accepted by the Financial Times for the answers given in these columns. All inquiries will be answered by post as soon as possible.

Lecturing in Sweden

I lecture occasionally in Stockholm for a government agency. Until recently I was paid for my services purely on a personal basis. I have now been told by the Swedes that there is a requirement for such payments to be made only to a company because of an international taxation requirement. They are now asking me to set up a company so that the alleged requirement can be met.
Is this requirement fact or perhaps simply a misunderstanding of the legal position?

Up to the end of 1984, your lecture fees were exempt from Swedish tax by virtue of article XV of the Sweden-UK double taxation convention of July 28 1960. With effect from New Year's Day, article 14 of the convention dated August 30 1983 makes exemption conditional upon your spending no more than 183 days in Sweden in any period of 12 months. If you do not want to form a company (and we do not recommend that you should), you will probably have to claim exemption on the anniversary of the end of each lecture trip, when you can prove that you have not exceeded the 183-day limit. You should find copies of the conventions (old and new) in a local reference library.

Mr Pavitt plays his trump card

BY KENNETH MARSTON

MR EDWARD PAVITT MC does not have a lot to be cheerful about these days. Nor do most other South Africans against the background of domestic political tensions and a slowing of the economy which, coupled with rising inflation and high interest rates, is leading to some tightening of belts—an experience which must be new to many of them.

As chairman of the big General Mining Union Corporation (Gencor) mining and industrial group, Ted Pavitt had to announce last month that its 1984 net profits had fallen to R288m (£121.5m) from R311m despite a 24 per cent rise in income from exports of precious and base metals sold for high value U.S. dollar.

Apart from losses at some of its South African industrial operations, the main reason why Gencor came unstuck was that its financing costs were boosted by high interest charges, increased borrowings and, in particular, paying a high price in exchange losses for taking a wrong view of exchange rate movements.

Still, Ted Pavitt has been putting a brave face on things in the annual report this week. To this end he has had the advantage of being able to play an ace which has been up his sleeve for some time now.

It is that Gencor is now satisfied that it has a potentially payable new gold mine at its Poplar prospect in the Leandra district of the Transvaal. This is close to the group's existing Evander area gold operations which include *Winkelhaak*.

His qualification regarding Poplar is: "provided suitable arrangements can be made in regard to taxation and mining rights." In other words Gencor is looking for a helpful tax formula for Poplar under South Africa's fairly flexible mining tax system.

The newcomer would be smaller than the group's young and good quality Beatrix gold mine but of a similar gold grade. If it goes ahead Poplar would mill about 90,000 tonnes of ore per month at an average yield of 5.5 grammes gold per tonne and would have a life expectancy of 20 years.

It would cost some R500m, which gives food for thought when Gencor's already inflated long term debt position is considered.

Gencor will now be getting back some R100m from the offer of about a quarter of the Beatrix share capital. If it is decided to go ahead with Poplar the group can also be expected to make a flotation of the latter's shares in due course.

Ted Pavitt makes no bones about the difficult trading conditions facing Gencor's South African industrial interests which "could deteriorate further before an upturn occurs." However, group earnings overall this year are expected to be no less than in 1984.

He bases this view on the expected contribution of the new projects, such as Beatrix, developed over past years and, importantly, (hopefully?) to lessons learned from the foreign exchange debacle of 1984. Yielding just over 7 per cent the shares are not expensive, but the market will want to see positive signs of improvement in the results for the first half of the year.

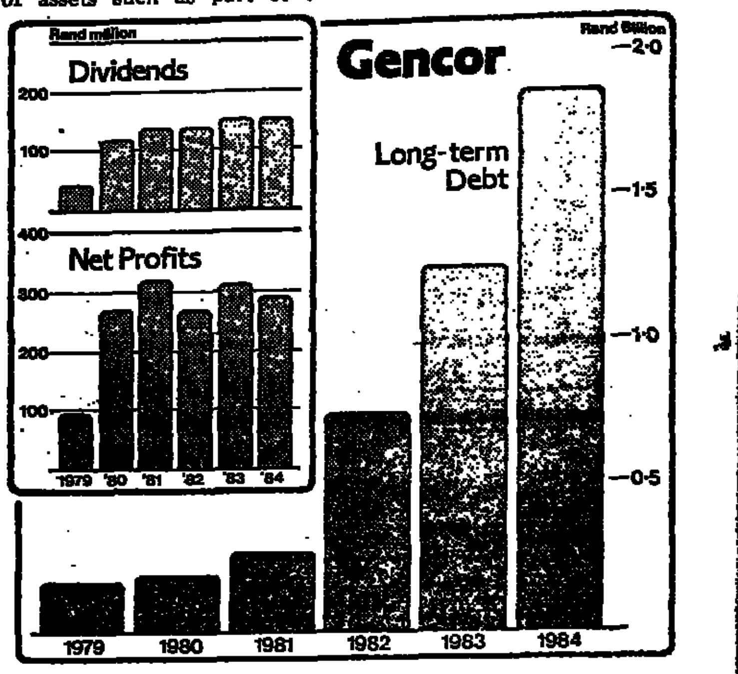
Another company with a debt burden is Canada's Northgate Exploration which, these days, is mainly involved in mining gold and copper at its Chibougamau operations in Quebec. If they were in, say, South Africa Northgate would be happier because their dollar sales would be worth a good deal more in weak rands.

They are good mines, but the Canadian dollar has not fallen as much as other currencies against the U.S. dollar and so Northgate is not doing well. To make matters worse, it has heavy interest payments to make on its large borrowings and, in fact, has only been getting by with the help of sales of assets such as part of the holdings in the gold-producing Whim Creek.

The chairman, Mr Pat Hughes, has said in the annual report this week that other methods of reducing the debt will have to be examined. But the most hope of a way out of this vexatious situation probably lies in a further easing in the U.S. dollar to a level at which Northgate's Canadian mines can obtain much better prices for their output.

● The Rio Tinto-Zinc group's Palabora copper mine in South Africa which has been able to boost profits while so many other producers of the metal struggle with uneconomic prices has run into a technical problem. Cracks have appeared in two of the shells of the big ore-grinding mills.

Repairs will take about 60 days, but the production shortfall during this period should be made up by drawing upon stockpiled material. What remains to be seen is whether the repairs will prove permanent or whether Palabora will have to face the time-consuming and costly process of installing replacement shells. Incidentally, the parent RTZ's 1984 results are due to be announced on April 17.



YOUR SAVINGS AND INVESTMENTS

Clive Wolman on an unprecedented bond offer

When zero spells profit

SAVERS with several thousand pounds to stash away for a few years have overlooked the bargains on offer in London's largest securities market, the Eurobond market, which has sprung up over the past 20 years.

The typical Eurobond purchaser is popularly seen as a corrupt Third-World Government *official with black money* to salt away, or a Belgian dentist concealing his wealth from the tax man or from an estranged wife, or from both.

This image, encouraged by the secrecy surrounding the bond-holders, may contain a grain of truth. But that is no reason for turning up *your nose* at the paper now on sale.

A sounder objection to using Eurobonds has traditionally been that they do not offer as *attractive or secure* returns as our British Government, gilt-edged, securities.

But over the past 10 days two UK companies, Redland and Pearson, the Financial Times parent company, have issued an unprecedented type of bond with particular tax and cash-flow advantages for UK investors.

Deeply-discounted, zero-coupon corporate bonds sound horribly technical. But you *should take a closer look if you* fall into any one of the following categories:

- You can afford to lock away your cash for seven years and do not want continual worries about switching and re-investing it.
- You believe interest rates are unlikely to rise in the near future and may well fall.
- You will be moving into a substantially lower tax band at some point over the next seven years, perhaps because you are retiring or planning to spend a period working abroad.

The principle behind such bonds is that you lend a company money for what may be a long period (in the Eurobond case, seven years). You receive no interest until repayment day —and then you get back far more than you lent.

Thus you can buy the smallest *lot* of Redland or Pearson Eurobonds for about £473 and on the redemption date seven years hence, you get back £1,000. The day you have to hand over your money if you contract to buy the bonds is April 25 for Redland and May 7 for Pearson. The adjacent chart shows how the price of a zero-coupon bond is likely to move over seven years.

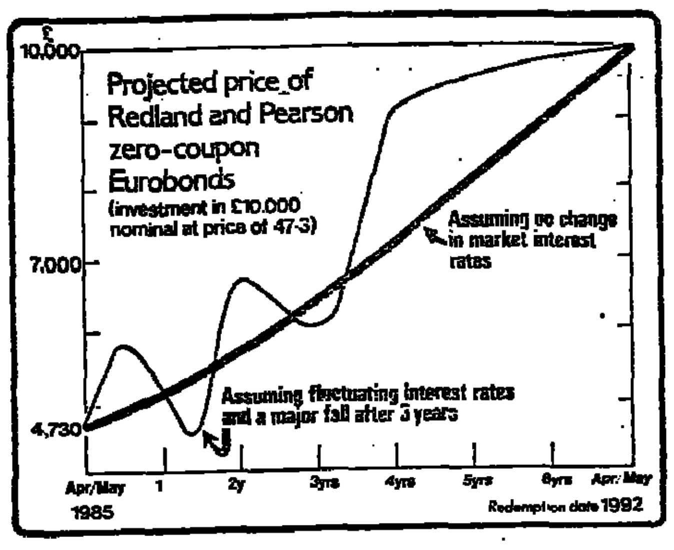
This arrangement avoids the administrative headache suf*fered by those gilt investors not* wishing to spend their semi-annual interest payments and having to seek out a home to re*invest their money.*

If interest rates have fallen since the gilt was purchased, the investors will also receive a lower return from their re-invested cash. But if interest rates rise, the returns from the re-invested money will be higher.

Zero-coupon bonds are more risky than conventional gilts or other bonds firstly because you lock all your money into one interest rate only. If inflation and interest rates rise substantially over the next seven years, your real returns will be disappointing. There is also a comparatively greater, but still miniscule, risk that a Eurobond issuer could default on its debts.

Because you receive no interest until the bond is redeemed, or until you sell it, you have to pay no tax in the interim. But when you cash in your bond, all the uplift in your capital will be subject to income tax. However, if you are resident abroad for tax purposes in that year, you will probably avoid all tax on your profits. But check out the tax rules of the foreign country.

The bonds may also be attractive to people in their late 50s whose children have left home *and now have surplus cash to* invest to supplement their pension. If they are in a *50 or 60* per cent tax bracket, they should avoid receiving any current taxable income. But if they expect their *marginal* tax rate to drop to only 30 per cent after retirement, the returns from zero-coupon bonds will be much higher.



The two zero-coupon bonds from Redland and Pearson offer a further tax advantage. If you hold them to reemption you will have to *declare the income* only on your 1992-93 tax returns and pay the tax about 18 months later.

This deferral will boost the after-tax yield from holding the bonds in redemption to 8.75 per cent for an investor who is a 30 per cent taxpayer in 1992-1993 and to 7.88 per cent for a 40 per cent taxpayer. For a non-taxpayer investor the expected yield will be about 11.2 per cent when the bond is *cashed in.*

For taxpayers, these rates are slightly below the 8.85 per cent tax-free interest from the current issue of National Savings certificates. But the certificates have to be held for five years to avoid an interest rate penalty, whereas Eurobonds can be sold *at any time. Also an individual* may invest a maximum of only £5,000 in any one issue of National Savings Certificates.

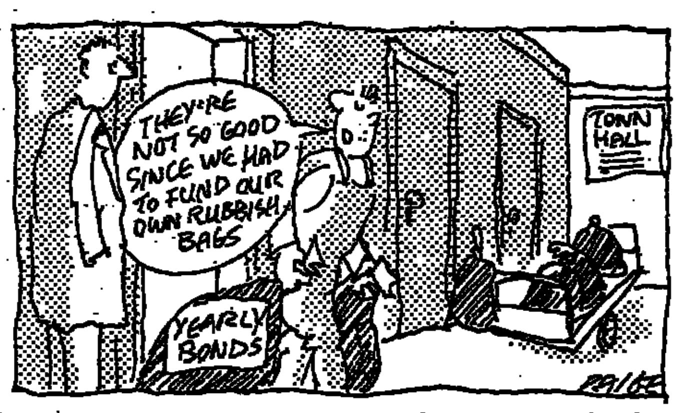
The other savings instrument which allows you to defer all tax on the interest until the year of withdrawal is the offshore roll-up funds. Most of these are managed by the major clearing banks and merchant banks and are based in the Channel Islands. Their interest rates, tide closely to the money market rates, are now about two percentage points above the pre-tax yield on the Eurobonds. But these rates move up in line with market rates.

To invest small amounts in Eurobonds—less than £50,000—you should go through a stockbroker, who will deal with one of the main market-makers. The commisssion should be about the same as that for dealings in other corporate bonds, about twice the rate for gilt deals. The merchant bank Morgan Grenfell is the lead manager for the Redland issue, and Lazard Brothers for Pearson's.

Eurobonds are issued in bearer form. Your name will not be registered anywhere—considered an advantage by those seeking to evade tax—but if you lose the bond certificates, you will also lose your money. So you should either leave your bonds in your bank, or make special arrangements to have your name registered.

Taking counsel over councils

George Graham looks at local authority issues and their future.



PRIVATE *investors put £200m* into local authority bonds last year. This year they face two worries, one political and one financial.

Investors may be put off by the brouhaha over rate-capping rebellious councils. In addition, they must come to grips with the Chancellor's recent moves to eliminate the practice of bond-washing.

Most private investors who *put money into local authorities* do so through yearling bonds. These are fixed interest securities repayable after one year.

A variety of councils issue these yearling bonds each week, so there is always a bond available with an expiry date that suits you. For this reason stockbrokers often use them when there is no British Government gilt-edged security with interest and repayment dates *that* suit their client's needs.

Threse bonds are not guaranteed by the Government, as gilts are. And when you apply for a particular week's ney issue you don not know in advance which local authority has issued the bond you are buying.

But investors who are wor*ried that a rate-capped local* authority might default on its bond can be reassured. Most brokers feel that the possibility of a default is remote. But in any case they point out *that* the rate-capped councils have not used the yearling bond market since November.

Investors do not have to worry that they might be buying a new bond from suspect local authority.

There are, in fact, fewer new issues now. One stockbroker which handles a large propor*tion of the business estimates* that the flow has dwindled from £20m a week to around £7m.

Until six weeks ago, you could buy a bond when it was issued and sell it again after five or eleven months, just before the half-yearly dividends were paid. The price at this *point would include the value* of the interest due. But the investor would be liable only to capital gains tax from which he has a generous annual exempt amount, rather than income tax, at a rate of up to 60 per cent.

Since the Chancellor has *moved* on February 28 to ensure that this accrued interest will be subjected to income tax, local authority bonds are now being held increasingly to their maturity dates. The only exceptions to the new rules are if you hold bonds (including gilts) with a nominal value of under £5,000—or can take advantage of the transitional arrangements to next February.

There may, however, still be some advantage to selling be*fore you receive the dividend.* If you receive the interest payment, it will have basic rate tax deducted from it already.

But if you sell the bond before the dividend is due, you will receive the accrued interest included in the selling price. You may have to pay income tax on it eventually, but will have the use of the money for some months before you have to pay *the Inland Revenue.*

In the secondary market, buying and selling the bonds during their one year of life, it can make a difference which council has issued the bond.

Most local authority bonds are now selling at a yield of around 12¼ per cent, according to Manchester Exchange group, a finance house which specialises in the bond market. But those from the 18 rate-capped authorities yield around 13 per cent.

At these rates of return, stockbrokers question whether the odds are good enough to encourage an investor into the local authority market at all. As one partner in a large firm asked: "Why bother to take the risk on local authority bonds when the rate from bank deposits is so good?"

But investors who believe that interest rates are now going to move downwards can lock themselves into current rates by using these fixed interest certificates.

YOUR SAVINGS AND INVESTMENTS

Giving fund managers the shakes

Clive Wolman explains the hopes and fears over U.S. competition

"IT WON'T be long before the Yanks hit London in a really big way. Then all of us will become rich."

Was that an extract from the pep-talk of the Grosvenor's chief porter to new recruits? Or maybe the words of a floor manager at Harrods? Or that taxi driver on the Heathrow run with a permanently jammed meter?

No, no and no. The prediction was made in January by a stockbroker who deals in the investment trust sector. And when he said "we," he didn't mean just himself and his commission-hungry salesmen, but anyone prepared to invest in the funds.

Sure enough, last week, the leading American specialist in the sector, Thomas Herzfeld, flew from Miami to London with £60m to spend on shaking up the UK's investment trusts—and tough words of the sort that lead trust managers to look afresh at the attractions of early retirement on the south coast.

Over the last decade, investment trusts have been put on the shelf and allowed to languish while their more glamorous rivals, the unit trusts and the unit-linked life assurance funds, have stolen the hearts of private investors.

Both investment and unit trusts are designed to allow investors to take small stakes in a broad spread of company shares while offering them the supposed bonus that the shares are selected by highly-skilled fund managers.

Unfortunately, the existence of such a bonus has been continually discredited over the past 20 years, ever since business school professors discovered their students could be mobilised to feed reams of investment returns from the fund managers into their computers. In nine cases out of 10, they demonstrated that the little man would have done just as well on average picking the stocks by himself, blindfolded.

But to make money out of investment trusts, according to Herzfeld, you don't need to rely on your fund manager picking those stocks which will rise the farthest, fastest. Although he is sceptical about the performance claims of UK fund managers, his enthusiasm for the sector is infectious. "I'm like a child in a toy shop," he said at the end of his visit. "I want to buy everything I see."

How can you possibly make money out of an investment trust without depending on the investment performance of its manager, as measured by the rise (or fall) of the fund's net asset value?

The answer lies in the way stakes in an investment trust are bought and sold. If you want to invest in a unit trust, you buy each unit from the fund manager at a price tied to the value of the underlying assets in the fund. The unit price rises and falls in line with the asset value. The shares of an investment trust, however, have to be bought and sold on the stock market. The difference between the share price and the value of the net assets of the fund per share can vary substantially.

Since the early 1970s, the shares of the average investment trust have traded at a discount to its net assets, which has fluctuated between 20 and 40 per cent. The average discount for the sector at present is relatively low at around 24 per cent. If you could buy shares now at that discount, and sell at a price which realised the full value of the underlying assets, you would make a profit of about 32 per cent (minus dealing expenses), assuming the value of the underlying assets has not changed.

There is a risk that the underlying assets could fall in value over the period of your investment. But in the U.S. market, at least, Herzfeld has been able to use options and futures to lay off stock market risk and protect his investors.

Ten years ago in the U.S., the share prices of investment trusts, or closed-end funds as they are called there, also were trading at large discounts of around 25 to 30 per cent. But within just a few years, the discounts of most funds were eliminated. Herzfeld, who has been researching and trading in closed-end funds since the mid-1960s, draws a lesson from that experience.

Stirring words: Thomas Herzfeld

"There have been two great buying opportunities in my career," he says. "One was in the U.S. in 1975, the other is in the UK today." In fact, the potential profits from the UK are greater, if only because the UK investment trust sector is more than twice the size of its U.S. counterpart. Its net assets amount to about £18bn and it accounts for about 5.5 per cent of the capitalisation of the UK stock market.

Herzfeld believes the factors that led to the shrinking and elimination of closed-end fund discounts in the U.S. late in the 1970s are present in the UK today.

Perhaps the most important was the predatory activities of large institutional investors. They would buy up shares in a fund, win majority control, sack the fund managers and realise the full net asset value of the fund by selling off the shares in its portfolio. This gave shareholders a windfall profit. Those funds that survived benefited from the contraction of the sector.

In the UK over the past few years, there have been occasional outbursts of similar "asset-stripping"—or "asset liberation" as its advocates call it—but, so far, no consistent trend has appeared. Herzfeld is expecting action, however, not least because of the introduction next year of negotiated stock market commissions and the associated shake-up of the financial services sector.

Herzfeld says he has the clout to stir up the dozy British scene. The $75m of clients' money under his management, which he expects to rise to $100m over the next few months, would be enough to catalyse a series of take-overs and liquidations of smaller trusts.

But many of those trusts are on relatively narrow discounts of only 15 to 20 per cent. It is the giant trusts, with £100m to £600m of assets, that are on the most juicy discounts—but Herzfeld is too small to buy the 20 or 30 per cent of their shares needed to launch a serious take-over bid.

Herzfeld spent much of his week in London seeing the managers of most of the insurance companies and pension funds with the largest stakes in the investment trust sector.

Few of them are prepared to initiate take-overs, he says, because of social and professional links. "Some told me that if I would initiate, they would support. "I didn't go to school with any of the fund managers and I have no fears of being blackballed in a country club or thrown off a board of directors."

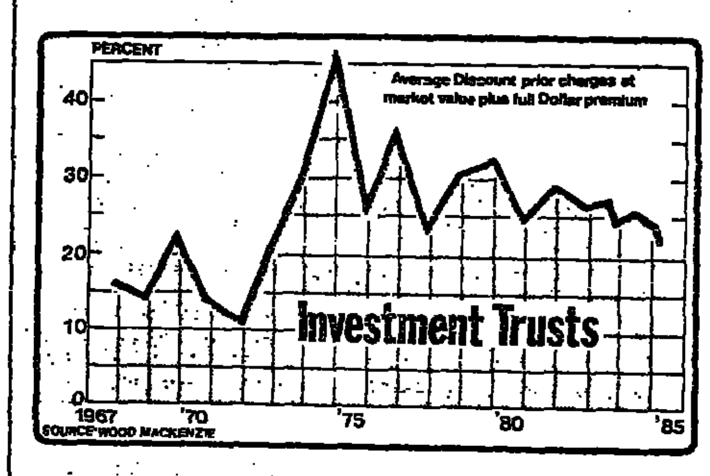
According to Matthew Oakeshott, Courtaulds pension fund manager: "He has done a lot in the States, but here it is a more delicate operation. You need to know the politics backwards—which people will support you—to be effective."

One of the groups Herzfeld singles out as ripe for "corporate activity" is the seven investment trusts managed by the merchant bank Kleinwort Benson, with net assets of around £450m. But, he says, most of his activities will not be predatory. For more "constructive" reasons, he has just invested $1m in the giant Globe investment trust. "I don't want to leave a trail of destruction in my wake," he says.

His other major reason for expecting large profits to be made from investment trusts is the strength of the U.S. dollar. For Americans, overseas investment is now unprecedentedly cheap. And one of the simplest ways of investing in overseas equities is via an internationally diversified investment trust managed from London.

Other Americans who have tried to stir-up the sector have found the going rough.

And many sector specialists will remain sceptical of Herzfeld's plans until they see more money.



Cash in on CGT reforms

IF YOU own unit trusts, shares, bonds, a second home, gold coins or any other assets you bought before April 1982, the reforms in capital gains tax announced in last month's Budget could save you up to several thousand pounds.

As explained on these pages over the last two weeks, the reforms extend the provisions which allow you, when selling assets, to make adjustments for inflation since March 1982. However, to take advantage of the new rules, you need to know the value of your assets on March 31 1982, and also, if you have been holding on for long enough, on April 6 1965 when CGT was introduced.

The Financial Times is publishing a booklet entitled Capital Gains—the Key Figures for Calculating your Tax. It contains the closing prices on March 31 1982 of all the shares quoted on the UK stock market which appear daily in the FT, all the leading shares and bonds quoted on foreign stock markets, all the major authorised unit trust prices quoted in the FT, plus gold coin and other metal prices, exchange rates and the Retail Price Index since 1982. A similarly comprehensive table of prices on April 6 1965 is also included.

An explanation of the budgetary reforms and how to make the best use of them to reduce or eliminate your CGT liabilities appears alongside the tables.

The booklet, price £4.50 including postage and packing, will be available after April 18 from: Nicola Banham, Publicity Department, Financial Times, 10 Cannon Street, London EC4P 4BY. Tel: 01-248 8000 ext 4895.

YOUR SAVINGS AND INVESTMENTS

Clive Wolman culls readers' remedies to a dilemma over CTT

How a family can beat eviction

THE PROBLEMS of the Abumanser family, who are in danger of being evicted from their family home by the taxman after the death of 78-year-old grandfather David, have aroused the interest of our readers.

An article on these pages three weeks ago described how Ivor, David's son, Ivor's wife Lorna, and their two young children could be liable for nearly £46,000 in Capital Transfer Tax (CTT) unless they rearrange their affairs before David's death. The article outlined two possible solutions to allow David to give away his £120,000 house to the couple, whilst ensuring security of tenure for himself, so as to minimise their likely CTT bill. It also invited further suggestions from readers.

One solution was for David to sell the house immediately to Ivor and Lorna at an undervalue — but not sufficiently below the likely open-market value to be taxed as a partial gift. The purchase would be financed by gifts of £6,000 and £3,000 from David, making use of his £3,000 annual exemptions from CTT for the tax years 1983-84, 1984-85 and 1985-86.

David would also grant an interest-free loan (which since 1981 is no longer deemed to be a partial gift) to Ivor and Lorna of £51,000 and the couple could take a mortgage of £30,000, on which they could receive tax relief on the interest.

To provide David with some protection, the sale contract would allow him to live in the house until his death. He would also have a buy-back option at the original sale price should Ivor and Lorna wish to sell the house. These provisions would depress the sale value of the house by about £10,000 so that it could probably be sold for as little as £90,000 withing giving rise to a CTT liability.

Our correspondents make several objections to this plan. The chief one, by J. L. Wasner and Jon Hills, partners of accountants Pannell Kerr Forster, and by Eric Brown and J. Mackay of Edinburgh, concerns David's right to continue living in the house. This might undermine the scheme, they argue, as such a lease for life could leave the house as part of David's estate for CTT purposes (section 43 (3), CTT Act 1984).

Stuart Davis, of accountants Thornton Baker in London, suggests instead granting the leaseback to David for a full market value, although valuation problems may arise. Such a value could be made explicit as part of the £10,000 reduction in the value of the house.

Davis also points out that the option to buy back has a value for CTT purposes and would form part of David's estate. He adds that if David were to die in the current tax year starting today, the CTT charge would be substantial even after such a transaction.

The second solution proposed in the article was for David to set up a discretionary trust, appoint himself as one of the trustees and sell the house to the trust. But the sale would be subject to a 20 year leaseback to David to guarantee him lifetime security of tenure. The trust could buy the freehold reversion for about £60,000 free of CTT by taking a £51,000 interest-free loan from David and another £9,000 as a gift.

Our Edinburgh correspondents Brown and Mackay believe the introduction of a discretionary trust is an unnecessary complication if David is certain he wishes to leave the house to Ivor and Lorna. They suggest that David should give the house, subject to a 10- to 20-year leaseback, directly to the couple, incurring a CTT charge at the lifetime rate of about £8,000. This could be funded by gifts from David, while Ivor and Lorna could opt to pay the tax by instalments.

Provided David lives for another three years, no more CTT will be payable on the house. The rest of David's estate can be reduced by gifts of £3,000 a year plus another £500 a year to the two Abumanser children, making use of the £250 a year small gifts exemption.

If David dies, another £8,000 of CTT will have to be paid, but again the couple can opt to pay by instalments. Other correspondents suggest that life assurance should be taken out on David's life for three years to cover this eventuality.

Stuart Davis' proposal amounts to a slight variation. He suggests that David, instead of being given a 20-year leaseback, could be given a tenancy of part of the house.

A different solution is proposed by Patrick Donohoe of Solihull and Harold Parker of Reading. They suggest that David should grant tenancy rights to Ivor and Lorna under the Rent Acts and issue them with a rent book.

The creation of such a protected tenancy would reduce the value of the property by at least 50 per cent at a stroke, Parker estimates. He has direct experience of such a manoeuvre. To convince the Revenue of the market value of a property in which he had created a protected tenancy, Parker put his house up for public auction and then bought it back. This reduced its vacant possession value by 70 per cent, he says.

Thus the value of the Abumanser house could be reduced to, say, £50,000 and then, Parker suggests, David could give away small parts of it each year to use up his £3,000 annual exemption. This would be achieved by giving away shares of 6 per cent of the equity of the house to Ivor and Lorna once a year, unless and until the Revenue decides to revalue the house at a higher figure.

Charles Richards describes how he fell victim to bank fraud

It wouldn't have happened in Egypt, sir!

IT COULD never have happened when I lived in Egypt, where even the largest transactions are made in cash. But just six months after my return to London, banking centre of the world, I fell victim to the crime of bank fraud.

Someone got hold of my cheque books and cash dispenser card, and drew cash out on them for five weeks before I noticed something amiss.

I thought the cheque books and card were in the post. My first suspicion emerged when I phoned my bank in Oxford to find out how much was in my account. I'd set aside about £1,000 to furnish my newly acquired flat, so I was horrified to hear that I had only a couple of hundred left, and with bills to pay, cheques to clear. . . .

I reckoned I was at least £700 adrift. I realised I had not had a statement since mid-December. Despite persistent requests I had not had a cheque book or cash card for a month.

Not like my bank. One reason I switched to Williams and Glyn's as an undergraduate 10 years ago was the personal service. They sent all my cheques back—honoured—with each monthly statement. Banking was always free, and they gave new customers, including over-spending students, a cheque guarantee card on application rather than after six months stipulated by the Big Four.

The next day, a Saturday, a statement arrived. As usual, I checked it against my cheque book stubs. Two debits stood out. The numbers of the cheques corresponded to no cheques I had ever had, let alone cashed. They totalled more than £700. A banking error? A fraud?

My immediate feeling was of relief. I had not overspent. First thing on Monday I rang my bank manager, Mr Light, and explained my concern. We went through my cheques, my card numbers and so on. During the day—Mr Light must have phoned me three or four times to brief me on latest information received—we pieced together the details.

The bank had sent me a Cashline cash dispenser card, two cheque books and two bank statements that I never received. Apparently, cheques had been cashed in two branches of the bank in The bank's policy is to establish further identity by asking questions about a customer's account. Whoever had cashed the cheques had known how long I had been banking with Williams and Glyn's, where I had banked before, and my middle name. Could they also have got hold of my replacement driving licence? I had suspected a gremlin in the Swansea computer.

I then contacted the police. I rang my local station, and was put through to the control room. Ah yes. Interference with mail. Serious crime that, put you through to CID.

But my self-importance as a victim of a crime bracketed with armed robbery and attempted murder was quickly deflated. CID referred me back to Beat Crimes, who deal with lesser offences.

I made my report over the phone. Trying to be helpful, I explained that the bank had evidence which might be useful from one branch where a cheque was cashed.

That was a quite different crime, I was told—obtaining property by deception. And that was the bank's business, not mine. And anyhow that

fell into under a different area.

The police have asked me central London with my Cashline card as identification. about friends and family who might have had access to my building. I live in a converted block of flats with a common hallway where the post is left each day. All the other residents, past and present, owner occupiers and tenants, plus girlfriends, boyfriends, nannies and cleaners are within the ambit of investigation, not to mention the post office.

The problem remains. How were the cheque books stolen, and then used? The bank will have to tighten up its identification procedures. At least Mr Light lifted my gloom by telling me the bank would bear the loss. Meanwhile I have to live with the knowledge that whoever had access then to my mail—and knows a lot of personal details about me — presumably still has that access.

The faithful get their reward

Clive Wolman reports on a higher interest rate with National Savings.

LOYALTY USUALLY costs you dear in today's competitive and fast-moving market for savings. But when it comes to National Savings, the old and faithful have never been treated so well.

Those who bought NS Certificates at any time between World War II and 1980, and have held on ever since will, from this week get an interest rate of 9.51 per cent free of tax. The interest is paid out every three months.

By contrast, their more fickle counterparts who rashly sold out in search of greener pastures now are being offered only 8.85 per cent if they return to the fold and buy the present 30th issue. And for that, they have to hold on for five years. The NS Yearly Plan is slightly better, offering a 9.28 per cent rate over five years.

The increase in the "General Extension Rate" from 9.0 to 9.51 per cent this week was made to discourage the holders of the popular 19th issue from switching their money elsewhere. This issue, which offered 10.33 per cent interest, is now maturing after five years.

The improved extension rate may be sufficient to deter even basic-rate taxpayers from switching into the building societies. The top building society rates are barely over 10 per cent net of basic rate tax, and are widely expected to come down again shortly. As for higher-rate taxpayers, there is no better deal on offer anywhere. But you should note that the extension rate can be cut at any time.

Most of the NS certificates since the 19th are offering interest rates below both the General Extension Rate and the rate on the 30th issue. But, in most cases, loyalty will pay once again, because if you sell your certificates after less than five years to switch into the 30th issue, your returns are cut back.

The only certificates worth jettisoning are the 25th and 27th issues, although you should probably wait until your next quarterly interest payment is credited, if this is less than two months away. The 26th issue is on the margin of acceptability.

$ WORLD VALUE OF THE DOLLAR

BANK OF AMERICA NT & SA, ECONOMICS DEPARTMENT, LONDON

The table below gives the rates of exchange for the U.S. dollar against various currencies as of Wednesday, April 3, 1985. The exchange rates listed are middle rates between buying and selling rates as quoted between banks, unless otherwise indicated. All currencies are quoted in foreign currency units per one U.S. dollar except in certain specified areas. All rates quoted are indicative. They are not based on, and are not intended to be used as a basis for, particular transactions.

Bank of America NT & SA does not undertake to trade in all listed foreign currencies, and neither Bank of America NT & SA nor the Financial Times assume responsibility for errors.

Bank of America, Economics Dept., E M.E.A. London
Eurodollar Libor as of April 3 at 11.00 a.m.
3 months: $9\frac{1}{16}$ 6 months: $9\frac{3}{4}$

ECU=$US.720427 SDR1=$US.988217
Sibor as of April 3 at 11.00 a.m.
3 month: $9\frac{1}{8}$ 6 months: $9\frac{3}{16}$

COUNTRY	CURRENCY	VALUE OF DOLLAR
Afghanistan	Afghani (o)	50.60
Albania	Lek	8.2214
Algeria	Dinar	5.202
Andorra	Fr. Franc	9.46
	Sp. Peseta	173.65
Angola	Kwanza	29.918
Antigua	E. Caribbean $	2.70
Argentina	New Peso (o)	545.95
Australia	Dollar	1.5181
Austria	Schilling	21.795
Azores	Port. Escudo	174.00
Bahamas	Dollar	1.00
Bahrain	Dinar	0.3769
Balearic Is	Sp. Peseta	173.65
Bangladesh	Taka	26.50
Barbados	Dollar	2.0115
Belgium	Franc (c)	62.59
	Franc (f)	62.805
Belize	Dollar	2.00
Benin	C.F.A. Franc	473.00
Bermuda	Dollar	1.00
Bhutan	Ind. Rupee	12.39
Bolivia	Peso (7)	45,000
	Peso (f)	125,000
Botswana	Pula (9)	1.7385
Brazil	Cruzeiro (o)	4460.00
Brunei	Dollar	2.23
Bulgaria	Lev	1.055
Burkina Faso	C.F.A. Franc	473.00
Burma	Kyat	8.61
Burundi	Franc	124.162
Cameroun Rp	C.F.A. Franc	473.00
Canada	Dollar	1.3695
Canary Is	Sp. Peseta	173.65
Cape Verde Is.	Escudo	89.2698
Cayman Is.	Dollar	0.835
Cen. Africa Rep	C.F.A. Franc	473.00
Chad	C.F.A. Franc	473.00
Chile	Peso (o) (3)	146.77
China	Renminbi Yuan	2.8568
Colombia	Peso (o)	125.55
Comoros	C.F.A. Franc	473.00
Congo Ppls Rep. of	C.F.A. Franc	473.00
Costa Rica	Colon	49.00
Cuba	Peso	0.9311
Cyprus	Pound*	1.5606
Czechoslovakia	Koruna (o)	7.20
Denmark	Krone	11.13
Djibouti Rp. of	Franc	182.979
Dominica	E. Caribbean $	2.70
Domin. Rep.	Peso	1.00
	Peso (d)	3.54
Ecuador	Sucre (o,c)	67.18
	Sucre (d)	117.00
	Sucre (f)	95.75
Egypt	Pound	0.83
	Pound (c)	1.265
El Salvador	Colon	2.50
	Colon (d)	5.00
Eq'tl Guinea	C.F.A. Franc (4)	473.00
Ethiopia	Birr (o)	2.0309
Faeroe Is	Dan. Krone	11.13
Falkland Is	Pound*	1.2285
Fiji	Dollar	1.1869
Finland	Markka	6.4875
France	Franc	9.46
Fr. C'ty in Af	C.F.A. Franc	473.00
Fr. Guiana	Franc	9.46
Fr. Pac. Is	C.F.P. Franc	172.00
Gabon	C.F.A. Franc	473.00
Gambia	Dalasi	[illegible]
Germany (E)	Ostmark (o)	3.101
Germany (W)	Mark	3.101
Ghana	Cedi	50.00
Gibraltar	Pound*	1.2285
Greece	Drachma	135.32
Greenland	Dan. Krone	11.13

COUNTRY	CURRENCY	VALUE OF DOLLAR
Grenada	E. Caribbean $	2.70
Guadaloupe	Franc	9.46
Guam	U.S. $	1.00
Guatemala	Quetzal (o)	1.00
	Quetzal (h, i)	2.02
Guinea Bissau	Peso	85.0562
Guinea Rep.	Syli	24.9796
Guyana	Dollar	4.12
Haiti	Gourde	5.00
Honduras Rep.	Lempira	2.00
	Lempira (d)	2.55
Hong Kong	Dollar	7.801
Hungary	Forint	51.2952
Iceland	Krona	41.06
India	Rupee	12.39
Indonesia	Rupiah	1103.00
Iran	Rial (o)	93.4006
Iraq	Dinar	0.3109
Irish Rep	Punt*	1.0065
Israel	Shekel	869.75
Italy	Lira	1980.50
Ivory Coast	C.F.A. Franc	473.00
Jamaica	Dollar (o) (5)	5.48
Japan	Yen	252.92
Jordan	Dinar	0.3924
Kampuchea	Riel	n.a.
Kenya	Shilling	14.9651
Kiribati	Aust. Dollar	1.5181
Korea (Nth)	Won	0.94
Korea (Sth)	Won	855.30
Kuwait	Dinar	0.3024
Lao P'pls D. Rep	Kip	35.00
Lebanon	Pound	16.00
Lesotho	Maloti	1.957
Liberia	Dollar	1.00
Libya	Dinar	0.2961
Liechtenst'n	Sw. Franc	2.6385
Luxembourg	Lux. Franc	62.50
Macao	Pataca	8.1031
Madagascar D. R.	Franc	650.091
Madeira	Port. Escudo	174.00
Malawi	Kwacha	1.7963
Malaysia	Ringgit	2.52
Maldive Is	Rufiyaa (o)	3.93
	Rufiyaa (m)	7.05
Mali Rp	C.F.A. Franc	473.00
Malta	Lira*	2.0061
Martinique	Franc	9.46
Mauritania	Ouguiya	67.16
Mauritius	Rupee	18.225
Mexico	Peso (d)	225.26
	Peso (e)	207.85
Miquelon	Fr. Franc	9.46
Monaco	Fr. Franc	9.46
Mongolia	Tugrik (o)	3.3555
Montserrat	E. Caribbean $	2.70
Morocco	Dirham	9.70
Mozambique	Metica	43.7005
Namibia	S. A. Rand	1.957
Nauru Is	Aust. Dollar	1.5181
Nepal	Rupee	18.30
Netherlands	Guilder	3.4995
Neth Ant'les	Guilder	1.80
New Zealand	Dollar	2.1598
Nicaragua	Cordoba	10.00
	Cordoba (d)	550.00
Niger Rp	C.F.A Franc	473.00
Nigeria	Naira	0.8817
Norway	Krone	8.96
Oman Sultanate of	Rial	0.3456
Pakistan	Rupee	15.9078
Panama	Balboa	1.00
Papua N.G.	Kina	1.0218

COUNTRY	CURRENCY	VALUE OF DOLLAR
Paraguay	Guarani (o.c.)	240.00
	Guarani (d)	454.00
Peru	Sol (o)	8323.76
Philippines	Peso	18.39
Pitcairn Is.	N.Z. Dollar	2.1598
Poland	Zloty (O) (5)	137.87
Portugal	Escudo	174.00
Puerto Rico	U.S. $	1.00
Qatar	Ryal	3.641
Reunion, Ile de la	Fr. Franc	9.46
Romania	Leu (o)	4.52
Rwanda	Franc	103.935
St. Christopher	E. Caribbean $	2.70
St. Helena	Pound*	1.2285
St. Lucia	E. Caribbean $	2.70
St. Pierre	Fr. Franc	9.46
St. Vincent	E. Caribbean $	2.70
Samoa (Western)	Tala	2.207
Samoa (Am.)	U.S. $	1.00
San Marino	It. Lira	1980.50
Sao Tome & Principe DR	Dobra	45.7896
Saudi Arabia	Riyal	3.61
Senegal	C.F.A. Franc	473.00
Seychelles	Rupee	7.3208
Sierra Leone	Leone (2)	6.00
Singapore	Dollar	2.32
Solomon Is	Dollar	1.3996
Somali Rep	Shilling (6)	36.60
South Africa	Rand	1.957
Spain	Peseta	173.65
Span Ports in N. Africa	Sp. Peseta	173.65
Sri Lanka	Rupee	26.05
Sudan Rep	Pound (10)	2.50
Surinam	Guilder	1.785
Swaziland	Lilangeni	1.957
Sweden	Krona	9.0075
Switzerland	Franc	2.6385
Syria	Pound (o)	3.925
Taiwan	Dollar (o)	39.57
Tanzania	Shilling	18.00
Thailand	Baht	27.53
Togo Rep	C.F.A. Franc	473.00
Tonga Is.	Pa'anga	1.5181
Trinidad & Tobago	Dollar	2.409
Tunisia	Dinar	0.7915
Turkey	Lira	499.10
Turks & Caicos	U.S. $	1.00
Tuvalu	Aust. Dollar	1.5181
Uganda	Shilling	585.29
United Arab Emir.	Dirham	3.675
Utd. Kingdom	Pound Sterling*	1.2285
Uruguay	Peso (m)	91.25
USSR	Rouble	0.908
Vanuatu	Vatu	101.80
Vatican	Lira	1980.50
Venezuela	Bolivar (g)	7.50
	Bolivar (g) (1)	4.30
	Bolivar (o)	12.59
	Bolivar (d)	13.05
Vietnam	Dong (o)	10.5038
Virgin Is. British	U.S. $	1.00
Virgin Is. U.S.	U.S. $	1.00
Yemen	Rial	6.75
Yemen PDR	Dinar	0.3425
Yugoslavia	Dinar	153.89
Zaire Rep.	Zaire	40.5139
Zambia	Kwacha	2.2967
Zimbabwe	Dollar	1.544

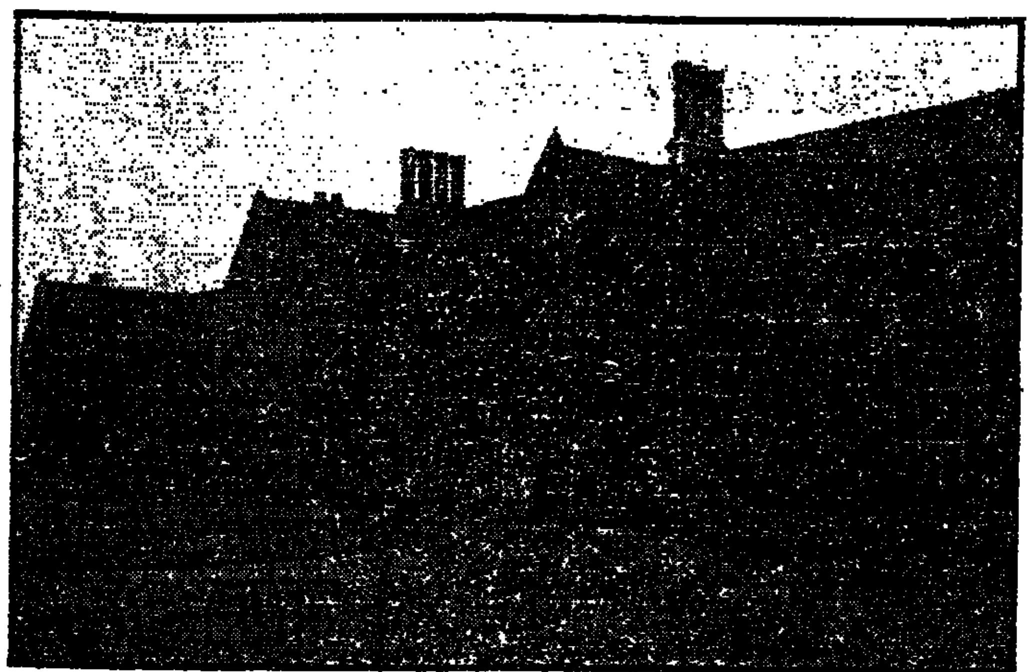
n.a. Not available. (m) Market rate * U.S. dollars per National Currency unit. (e) Freemarket central bank. (o) Official rate. (b) Freemarket interbank. (c) Commercial rate. (d) Freemarket. (e) Controlled. (f) Financial rate. (g) Preferential rates. (h) Non essential imports. (i) Floating tourist rate. (1) Venezuela: For debts incurred prior to February 1983. (2) Sierra Leone: Feb 22. Official devaluation of 58.33%. (3) Chile: February 28. Peso devalued by 9%. (4) Equatorial Guinea: December 31, currency joins Franc zone. (5) Jamaica: November 8. Rate adjustment fixed by Central Bank bi-weekly auction. (6) Somalia: January 8, official devaluation of 29%. (7) Bolivia: February 9, official devaluation of approximately 81%. (8) Malawi: April 2, official devaluation of approximately 15%. (9) Botswana: January 11, Pula devalued approximately 15%. (10) Sudan: February 11. Official devaluation of approximtely 48%. For further information please contact your local branch of the Bank of America.

Overseas

STATELY HOMES TO BUY . . .

Gracious living for sale

June Field looks at houses to keep your descendants happy



Littlecote House, a Tudor mansion in 83 acres near Hungerford, Wiltshire, open to the public over Easter, is for sale at £1.25m through R. Adams Cairns, Savills, 20 Grosvenor Hill, W1 (01-499 8644).

THIS IS the weekend when Britain's stately homes start business for the season. The crowds will sport in the steps of Capability Brown, try not to be too hard on the Sèvres china and generally get an interloper's-eye-view of gracious living.

There may also be some thinking about buying an historic house, and there are quite a few on the market.

Last week, I went with Sir Seton Wills, owner of Littlecote House, an impressive red-brick Tudor mansion alongside the River Kennet, on what he called "a dry run" to ensure everything was in order.

However successful it might be—and in the six months since it opened last year, 27,400 visited the house, and 21,600 the still being-excavated Roman villa in the grounds—Littlecote is not Longleat or Beaulieu. Running costs of £64,000 have to be set against an income of £51,000. (Warwick Castle attracted 560,000 people last year.)

So it could be the last time that Sir Seton, the 45-year-old fifth baronet and a descendant of the W. D. and H. O. Wills family, opens his home to the public. A chartered surveyor and antique dealer (speciality 18th-century furniture), he wants more time to devote to other interests. The listed Grade I house with 13 bedrooms, 4 bathrooms, indoor swimming pool, five cottages and numerous outbuildings, went up for sale on Tuesday through Savills, Grosvenor Hill, W1. Appropriate timing, as this year is the 500th anniversary of the Tudor accession.

At £1.25m to include 83 acres of parkland, less than the price of a Central London penthouse apartment, it must be a snip. (The family is keeping the rest of the 4,700-acre estate and will live in Eastridge, a small Georgian manor three miles away.) For Littlecote is no Calke Abbey neglected over the years and falling into decay. The splendid condition is apparent from the moment of entering the 46 ft-long, 25 ft-high Great Hall with its oak-panelled walls, 30 ft-long shovel-board table, and high window recording the time when Henry VIII courted his third wife, Jane Seymour, there.

This gem of a place, tucked away down a long lime-tree-flanked drive off the A4 on the Wiltshire/Berkshire border, is quite remarkable. There is a Cromwellian chapel, probably the only complete one in existence, in which the altar is replaced by a high oak pulpit; and a Dutch parlour with walls of painted pictures, some featuring the story of Don Quixote, plus nude, bosomy women cavorting in a woodland glade.

Add a spooky bedroom undoubtedly haunted by a mother grieving for her new-born baby murdered by being thrown on the fire — the story is recorded in Sir Walter Scott's *Rokeby Hall*—and all the ingredients for a television series are there.

A buyer will be encouraged to take over the historic items that should rightly remain in the house. These include the armoury of the regiment led by the Chief Justice's grandson Colonel Alexander Popham (98 muskets and carbines, 56 pistols, 37 buff coats, 46 cross belts and 25 troopers' half armours), and the Popham family portraits and library.

Justice Popham's sinister finger-stocks, which went with him on his judicial tours, and the 18th-century needlework panel depicting the famous Littlecote Roman Mosaic floor will be included in the contents package. Christie's has put on it what director Charles Allsop admits is "a favourable figure" of about £750,000.

There is no question of offering the house and contents to the National Trust or the Government, says Sir Seton, who feels that their funds must be fully stretched; in any case, he is not in a position to offer any endowment. What he will miss most is pottering around the remains of the Roman Villa, in which he has taken a special interest since it was discovered by chance through other diggings in 1978. Excavation of the floor took place first in 1728, after which it was "lost."

Also open this weekend is a quite different and more modest, although highly profitable, tourist attraction which brought in 20,000 visitors last year: Dorsington Manor, in 27½ acres near Stratford-upon-Avon, home of the Domestic Fowl Trust. The nine-bedroom Edwardian house, 17th-century thatched barn, pottery and farm buildings are for sale in the region of £300,000 through John D. Wood's Mayfair office.

The owners, Michael and Victoria Roberts, are selling because they need a larger base in the area for their work with the Trust, which was started in 1975 for the conservation of old and rare breeds of domestic fowl. If you visit over Easter, the rare breeds—White Jersey Giants and the *Crève-Cocur* (broken heart)—should be hatching.

In three acres near St Albans, Hertfordshire, lies Salisbury Hall. Recorded in the Doomsday Book as Shenley Manor, it was open to the public until 1981. The moated, Grade II listed house has been occupied by a distinguished cast ranging from Richard Nevill, Earl of Warwick, in 1442, to Winston Churchill's mother in 1905. In 1939, the deHavilland Aircraft Company designed and built the prototype of the Mosquito there.

The freehold of the Hall now is for sale at around £350,000 for conversion to offices. You need to add another £150,000 for the nearby Nell Gwynne Cottage, love-nest of King Charles II and his mistress. The agents are Hillier Parker, Grosvenor Street, W1 and Faulkners of Kings Langley.

There is office use, too, at Bishop's Manor, Howden, Humberside. This dates back to William the Conqueror, and became the Bishop's Palace in the 14th century. After a chequered history, it was damaged by fire in 1975

With local architects Weightman and Brown, a mammoth restoration job is under way, and completion is due in August. Archaeological investigations are under the guidance of the Department of the Environment and Dr Ben Whitwell, North Humberside county archaeologist.

Various international companies have expressed interest in taking over the 125-year lease at £250,000, according to Robert Sword of Humberts' York office.

AND TO VISIT

Donald Wintersgill goes on tour

When a Scotsman's castle is his home

THE CHATEAUX of the Loire are gorgeous, but empty shells. England teems with pallid Palladian palaces. But the north-east of Scotland abounds in castles of character, rich in history (as the estate agents say when they get the business of selling them).

The National Trust for Scotland has acquired half a dozen gems recently. Some of the acquisitions and more of the castles already in the Trust's care are in the Scots Baronial style, with straight towers and plain walls soaring to flights of fancy at the top. This is one of Britain's great contributions to architecture.

Brodie Castle, Brodie, Morayshire, has that great attraction for tourists—a resident member of the family. Ninian Brodie, the Brodie of Brodie, is the 25th laird in a line that goes back at least 700 years, and he often acts as a guide.

The castle dates from 1567, was "brynt and plunderit" in 1645, and was added-to in Victorian times after an impoverished Brodie married an heiress. Its glories are a barogue ceiling of plasterwork, innumerable portriats of Brodies, and 18th-century grounds that are being restored by the Trust. The present Brodie's father, an army officer, bred *daffodiles* with *military* precision and produced more than 400 varieties.

"A" resident member of the family is a great draw; if one is not to hand, a ghost is next best. Crathes Castle, Aberdeenshire, has a Green Lady who, even now, is seen by hard-headed Scots. She was a young woman betrayed by one of the laird's men, and in her arms she carries the baby. The castle is 16th century, built when Scottish tower houses were designed not so much for defence as for prestige, out of habit, and to save on costs of construction. It is a magical place, picturesque to the point of absurdity.

The ceilings at Crathes are a wonder, painted in the 16th century with Muses, Virtues, and characters from the Bible and history. In the great hall is the castle's greatest treasure, an ivory horn. According to traditions, this was given by Robert the Bruce to the Burnett family, who owned the place until 1952. The horn is decorated with a carbuncle and crystals and it dates most likely from 1323.

Crathes has 75,000 visitors a year: a plentiful number but not swamping. They come not only for the castle but also for the nature trail, field study centre, and the other worthy appurtenances of a thoroughly up-to-date national treasure. A visitors' centre is being built, at a cost of more than £90,000.

The roll-call of castles and great houses in north-east Scotland is a sonorous one: Craigievar, commonly called "fairytale"; Drum, grim outside the delicious within, like an avocado; Castle Fraser, which appears unexpectedly like a picture in a pop-up book; Haddo, the Glyndebourne of Aberdeenshire; Leith Hall, which has had major surgery and is just out of intensive care.

To them was added last year, under the guardianship of the Trust, one that completes the necklace of jewels: Fyvie Castle. This is a medieval building that has constantly had additions. It was rescued from decay in the 1890s by Alexander Leith, a local boy who emigrated and made a fortune in the U.S. from steel. It was rescued again last year by the National Heritage Memorial Fund, which put up more than £3m for the house, its treasures and an endowment.

Fyvie was owned by five families, and each added a tower. The new owners are adding a car park and a public lavatory.

Far more emotive than all these places, however, is the site of the Culloden, the battle that wrecked a romantic cause and hastened the erosion of Highland culture. It is a bleak and haunted spot. No less than £80,000 is being spent on clearing trees, diverting a road that goes through clansmen's graves and helping visitors to understand what happened when 5,000 exhausted Jacobite troops faced 9,000 Government soldiers.

New Homes

Rentals

FINANCIAL TIMES
PUBLISHED IN LONDON & FRANKFURT

Head Office: The Financial Times Ltd, Bracken House, 10 Cannon Street, London EC4P 4BY. Telex: (Editorial) 8954871. Telex: (Advertising) 885033. Telephone: 01-248 8000. Frankfurt Office: The Financial Times (Europe) Ltd, Guiollettstrasse 54, D-6000 Frankfurt-am-Main 1, West Germany. Telex: 416193. Telephone: 7598-0. Editorial: Guiollettstrasse 54. Telex: 416052. Telephone: 7598-157.

INTERNATIONAL & BRITISH EDITORIAL, ADVERTISEMENT & CIRCULATION OFFICES

For Share Index and Business News Summary, Telephone 246 8026 (number preceded by the appropriate area code valid for London, Birmingham, Liverpool and Manchester).

STATELY HOMES

Burghley House, Lincolnshire

Crathes Castle, Scotland

Arthur Sandles on Britain's housing heritage

Chippendale with everything

PRIDE, they do say, is a terrible sin. But it is difficult to feel anything but pride in Britain's remarkable stock of country houses. This weekend the house-visiting season in Britain starts in earnest with lords, ladies and their siblings dusting down the Chippendale and putting the final horticultural touches to the Capability Brown landscapes.

It is difficult to find a spot in Britain that is more than a half hour's drive from an historic house of some ostr. In the far northern highlands you may have to go a little further at times, but you will do so in splendid scenery and be rewarded with such sights as the turretted palace of Dunrobin Castle or the sturdy fastness of the Macleods Dunvegan Castle. In the fat, fruitful shires of Warwick, Hereford and Worcester you can hardly move without falling over stately stonework—Hagley and Ragley, Little Malvern Court and Hanbury Hall, Coghton Court and Eye Manor.

Britain owes its stock of fine houses to two major factors, wealth and domestic peace. The settled social nature of the country freed a section of society to make money and enabled them to flaunt it. They were fortified residences of the type so often seen in Europe when it was most unlikely that either your neighbours or your workforce would take up arm against you.

Monmouth's perambulations around the West Country—celebrated this year under the publicity seeking title, The Pitch*fork Rebellion*—were *the* last real flaring of civil strife in England, and that was 300 years ago.

In Scotland things settled down a little later, and it shows *in the architecture of the* houses Many are plainly military establishments and many others would adapt easily to defence should some local skirmish provoke the need. The earlier mentioned Dunrobin was not built in its present form until the 1830s.

English country houses, from the grand to the bijou, are an endless delight and fascination. They reflect not only wealth, power and security but also the facility for self-indulgence that such assets bestow. No planning authority today would approve the idiosyncratic skyline provided by the roof Burghley in Lincolnshire, and no public body would play with landscaping as has been done at Stour-

head on the Wiltshire, Somerset and Dorset borders.

Self-effacing little properties (I use the word little in a comparative sense, oh that I could aspire to such modest lodgings as Firle Place in East Sussex are treasure boxes of books, paintings, porcelain and, at times, eclectic tastes in the gathering of global momentoes.

Much as one must admire the work of the National Trust it is in the houses that are privately owned that one sees this idiosyncrasy still at work. Private owners do not have to look over their shoulders at committees in order to experiment a little.

The Comptons can thus display their interior decorating talents at Newby Hall, North Yorkshire and the Lloyd family, notably the noted Christopher Lloyd, have been able to continue the work of Lutyens at Great Dixter in East Sussex.

It is personality which is the *great problem for the* National Trust. It has, thank heavens, avoided the horrors that so many French houses offer in the form of humourles hulks of once-upon-a-time grandeur.

But there is still a worry over creeping uniformity. As this column has noted before, this is particularly the casewithgardens, which need living creative attention from individual gardeners. Unlike the houses, gardens grow and cannot be preserved in architectural apic for future generations. But that is carping. Let us get back to the matter in hand.

The dilemma with planning Easter visits to houses is that the weather is so unpredictable. This year the chilly start to spring has held things back a little but the buds are beginning to burst and, there should be a good *display of daffodils, the* crocuses are still around even if the snowdrops have departed. Given a fine day it is good walking in the path weather.

If it is wet then one must look to the houses that have plenty to fascinate inside and with a car park near the property. These tend to be the bigger houses. Be warned, however, the really big ones like Longleat, Woburn and Beaulieu often have special events over public holiday weekends. At Longleat the springtime attraction is an orchid festival. It might be worth checking that the event in question is your sort of happening.

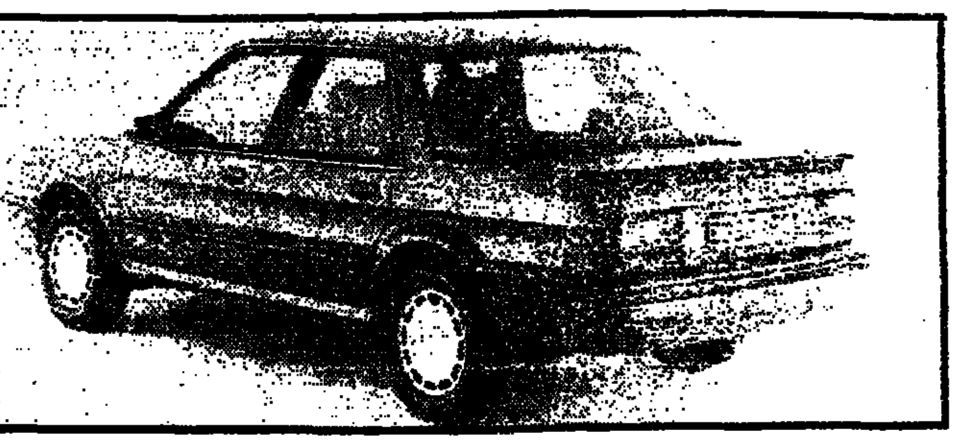
If you are a regular country house visitor it is well worth joining the National Trust (£12.50 per one person, £20 for a couple and £25 for a family). You then get free admission to Trust properties.

House entry fees vary enormously but there are three broad divisions—around £1, just under £2, and around £3. What with cream teas and visits to *the gift shop and the garden* centre it can prove expensive.

And my own choice? Well, since I shall be spending the weekend in the West Country there will probably be a family *argument over the rival attrac*tions of Montacute, a joyful combination of a fine house which has seen highly personalised touches over the ages and a superb garden, and Brympton d'Evercy, a Tudor house which I have yet to visit. In the latter case I am intrigued by Neil Burton's note that "the gardens are largely the creation of Lady Georgiana Fane, who nearly married the Duke of Wellington. Instead she formed

Further information: Mr Burton is the author of the *Sunday Telegraph Historic House and Castle Handbook* (£5.95). There are two companion bookshelf works (they are far too good to be called coffee table books) published by Jonathan Cape. The *Country House Guide* by Robert Fedden and John Kenworthy-Browne (my copy cost me £8.50, it may have gone up) and *The National Trust Guide* by Robert Fedden and Rosemary Jockes (£12.95). In Libraries and secondhand bookshops you may find a 1983 *edition of the Which? Heritage Guide* which is now out of print. It is an extremely useful book to keep in the car since it lists not only houses but also museum and other historical *attractions. The fact that it is* out of print suggests that no one else agreed with me.

MOTORING



Sheer driveability: the MG Montego Turbo

Caveat emptor and commonsense

CRITICISING A consumer protection organisation is liable to make one highly unpopular in progressive circles—but do these worthy bodies always get *it right? Let me put my head* in the lion's mouth.

Recently, the Consumers Association issued an urgent warning to motorists about the Toyota Space Cruiser. Having *tested four of these multi-pur*pose vehicles, CA found they had potentially dangerous brakes. They were said to slew unpredictably from 30 mph and perhaps end up broadside from 60 mph, presumably under emergency braking. CA asked Toyota to suspend sales "until the problem had been resolved" and advised owners "to drive with the greatest care . . . and keep plenty of distance between *you and the vehicle in front.*" (Shouldn't one always do so?)

Toyota GB, the importers, flew in a team of Japanese engineers to investigate. It reports that no problems have arisen with any of the 2,200 Space Cruisers it has sold in Britain in the past three years.

Obviously, a front-engined, rear-driven vehicle with the layout of a forward-control panel van is more likely to lift its back wheels during emergency braking when running light than when fully loaded. In the same way, it is easier to lock a lorry's back wheels when it is *empty than when it is carrying* 10 tons of sand. That being so, might it not be thought prudent for a driver to modify his technique accordingly?

Some time ago, American manufacturers *of four-wheel* drive Jeep-type vehicle were under fire from consumer protection interests. They were accused of endangering the public by making vehicles that *turned over easily. Since then,* they have had to stick notices on fascias solemnly warning users that an on-off road machine with high ground clearance and stiff springs won't *go round corners exactly like a* family saloon.

Am I being unreasoable in feeling that anyone with the wit to drive a thing like a jeep or a Land Rover should be aware that it is *not going* to behave on a bend like a normal car? Conversely—should Ford Escorts and Austin Montegos have stickers saying they won't climb 45-degree slopes covered in mud, or across ploughed motorway. When he went back fields?

I would be the last person to deny the value of organisations like CA in protecting buyers from dangerously shoddy goods and from possibly misleading advertising claims. But there is such a thing as horses for courses—and don't consumers have responsibilities as well as rights.

Consider another example. A man had a tyre burst while driving a Triumph Stag on a to the supplier from whom he *had* bought a pair of tyres for £25 each, he was sold a replacement for £15. This, too blew out a week or two later. Mercifully, no one was hurt on either occasion.

A Triumph Stag uses 175 or 185 HR 14 tyres; and the best prices I could find on the day I read the story were £55 for the smaller size, £68 for the larger. The tyres that had *blown out proved* to have been factory rejects, branded ADV for animal-drawn vehicles. They looked all right but were quite unfit for use on cars.

The disgruntled buyer went *to the consumer protection* officer. He prosecuted the seller, who was fined heavily. A good job, too. But was not the man who had bought the tyres, and put himself and a lot of other people at risk, also culpable.

To put it no higher, he must have had reason to believe the tyres were suspect: why else would they be on sale at less than *half* the normal price? Should he not have taken them to the consumer protection officer before fitting them? And would the police not have been fully justified in prosecuting him for using illegal tyres?

Stuart Marshall

THE MONTEGO Turbo saloon is the fasters production car ever to wear the MG badge. It is, says BL's Austin-Rover Group, good for more than ***120 mph and will go from*** **a standstill to 60 mph in 7.3 seconds. What impressed me most when I tried it briefly in pouring rain recently was its sheer driveability at normal speeds. The two-litre "O"-series engine has an unfashionably long stroke and pulls like a heavy truck's diesel at low revolutions. It is so flexible that you can stay in fourth or fifth in traffic when other sporting** ***cars might need second or*** **third. Yet, it whips willingly, if not silently, up to quite high rpm for he hard driver, showing over 80 mph in third and 100 mph in fourth gears.**

The Honda five-speed gearbox has an excellent change and fairly close ratios. The power steering and wide Michelin TDX tyres of the Montego Turbo I drove gave almost twitchingly quick response, but hung on ***well through bends and rode*** **very smoothly and quietly.**

Will it tempt BMW owners to buy British I doubt it, but it could be ideal for a Rover 2600 driver looking for something ***smaller and different. The price*** **is . . .**

BOOKS

Neville's brother

BY DOUGLAS JAY

Austen Chamberlain: Gentlemen in Politics
by David Dutton. Ross Anderson, £12.95. 373 pages

Patient merit was perhaps the leading attribute of Austen Chamberlain, and it is appropriately reflected in this biography. Austen was essentially a disciple — a not uncommon type of practical politics. Though he entered Parliament when Gladstone was Prime Minister, and died within months of his younger brother Neville becoming Prime Minister, he only had time for two messiahs in his lifetime. The first was of course his father Joe. Austen faithfully inherited from Joe the two main causes of his own life, Unionism and "Tariff Reform," as well as the monocle and the orchid. But he inherited none of his father's drive, ruthless energy, or passion.

So after Joe's death in 1914, Austen's devotion to the family articles of faith, though not the insignia, faded away; and left him an easy prey to the charms of the new messiah, Lloyd George, who regarded him in turn as "slow and commonplace" (a natural Celtic view of an Anglo-Saxon). L.G. found it useful to have an outwardly eminent Conservative in both his war-time and post-war coalitions. This accordingly left Austen high and dry in 1922, still defending L.G. when most Tories had turned against him. Dr David Dutton stirs the best-known judgment on Austen Chamberlain: that he "always played the game and always lost it." Chancellor of the Exchequer early as 1903, though only 40, Austen lost his first chance of becoming Tory leader by effectively standing down in 1911 when Balfour resigned. In 1921 he actually became leader, and could almost certainly have succeeded L.G. as Prime Minister if, like Bonar Law, he had swung with the Tory tide and renounced L.G. This he felt to be disloyal.

Dr Dutton's story leaves one with the sense that Austen's gentlemanliness was only one reason for these hesitations. Was the other reason perhaps that when he faced the actual choice, he did not (unlike his father, or L.G. or even Baldwin) feel in his heart of hearts that he was able to do the job?

He was, however at least able to do a respectable job as Foreign Secretary, (where heaven knows the externals count), from 1924 to 1929. He was also a keen Franco-phile. Locarno was his triumph and he lived reasonably happily in the glow of it ever after: even though the sceptic may now wonder whether Locarno really proved anything much other than that paper pacts cannot themselves guarantee peace. Even in 1935, at the time of the Hoare-Laval Plan, Austen was still fervently hoping to become Foreign Secretary once more, but was neatly double-crossed by Baldwin — not one of his messiahs—and lost again.

This at least left him free, however, as Dr Dutton very clearly shows, to issue repeated warnings in 1936 against the riseof Hitler, and incidentally to remark in private that his brother Neville "did not know anything about foreign affairs."

As befits a professional academic, Dr Dutton handles the more burning issues of this epoch with stern neutrality. This method has at times a slightly numbing effect on the

Austen Chamberlain: Tariff reform, a monocle and an orchid

reader. It is less fun watching a football match if one does not care who wins. It is also a little odd to find "Tariff Reform," or the great election of 1906, or the General Strike, or the Great Depression treated almost as if they were just another shift in the scenery. Might not one ask for instance whether, if Joe had consistently advocated a tariff on manufactures, but not food, he might have won, and the national consequences have been very different. If the Zinoview letter is mentioned, should not one explain that some still think it a forgery?

Certainly; however, Dr Dutton is here writing a biography and not history. His studied moderation is perhaps appropriate to the character of Austen Chamberlain; who — one cannot help feeling—might, if he had not been his father's son, never have entered politics at all.

Poetry's roll-call

DAVID SEXTON

British Poetry Since 1945
edited with an introduction by Edward Lucie-Smith. Penguin, £3.95. 423 pages

This "non-partisan survey" was first published in 1970; the newly revised editon adds 16 poets who have emerged since then, removes half-a-dozen who have faded away, and extends the representation of the few whose work has notably developed. Thus it provides a handy "bi-focal" picture of what has happened to our poetry in the past 15 years, helping us take a fix on its movements. In furtherance of this, the anthology is laid out in a dozen rough categories, supplemented by brief introductions to each poet, succeeding debts and new departures.

So who's in, who's out, who's up, who's down? The 1970 edition predicted a new modernism in British poetry, prompted by American and German examples; this has not happened. Rather tellingly, the three young poets with whom Lucie-Smith ended his anthology then have all disappeared, to be replaced by two new sections, "Belfast," consisting of Heaney, Mahon, Longley, Muldoon, Paulin and Medbh McGuckian, and, more tendentiously, "University Wits," featuring John Fuller, James Fenton, Craig Raine, Andrew Motion, Peter Scupham, David Sweetman, David Constantine, and Kit Wright. There is no question that the Ulster poets constitute, in so much as writers ever do, a group, and that their work has developed a stature and significance not then foreseen. The second grouping however looks less likely. Lucie-Smith is, I think, right in not giving pride of place to the "Martian" clan; Raine's gimmicky eponymous poem, "A Martian Sends a Postcard Home," is printed—a natural anthology-piece—but Christopher Reid doesn't make it at all. This leaves the Fuller-Fenton axis; Fuller has been promoted from "smoothly competent but almost entirely conventional" (1970) to "a chef d'ecole" (1985), but whether this school, so much the thing at the moment, will make a chapter in the history of literature or of publicity remains to be seen. The wheel of fortune may yet, I suspect, edge them out to the same peripherality the Liverpool Poets have for us now.

The most interesting selection is of the poets who have added enough to their reputations to earn more space. There are only five: Heaney and Mahon, John Fuller, Peter Porter, and Geoffrey Hill, leaving Larkin and Hughes represented by their earlier work. Porter has earned the accolade: though he writes too much, he has undoubtedly succeeded in extending his range. However the great fact of British poetry of the past 15 years has surely been the growing achievement of Geoffrey Hill. The seven short poems by him included here have an authority of an altogether different kind than that of their neighbours: he is rather vaguely put in the section "Influences from Abroad," but time may tell that all of his contemporaries will be measured against him.

Lucie-Smith's introductions suggest a great bustle amongst the poets, as they strive to become "established," then "important," lastly perhaps "chef d'ecole," moving from "influence" through "rivalry" towards "succession." Down among this literary politicking it becomes rather hard to see the wood for the trees and their undergrowth: in some respects this anthology is so broadly based it offers no clear vantage-point. However, if the reader finds one or two poets to investigate further, as he surely will (and there is a bibliography to help him), this mixed but capacious bag will have served its purpose—to help him make up his own mind.

Fiction

Heart of Bronx

BY NICHOLAS BEST

Lives of the Poets
by E. L. Doctorow. Michael Joseph, £8.95. 145 pages

Say Goodbye to Sam
by Michael J. Arlen. Andre Deutsch, £7.95. 231 pages

Yedo
by Lynn Guest. The Bodley Head, £8.95. 292 pages

Every Day is Mother's Day
by Hilary Mantel. Chatto and Windus/The Hogarth Press, £8.95. 212 pages

To begin at the end. The title novella of E. L. Doctorow's *Lives of the Poets*, is a remarkable piece of writing, a finely controlled, vividly presented insight into the mind of a successful New York novelist, preceded by six widely differing and relatively undistinguished short stories, one or two of them downright incomprehensible.

In the heart of the Bronx, a young Jewish boy conceals his father's death from his grandmother by forging cheerful letters from Arizona. In Galicia in 1910, another boy watches his tutor making passionate love to his mother in the barn. A New York diplomat's daughter is blown to pieces by a car bomb, a small town schoolmarm is shot at by a hunter, a child's corpse is retrieved from the water works and taken off in horse and carriage . . . the idea is that these disparate tales are "unified and illuminated" by the novella, true enough to a certain extent in that some of the earlier themes are echoed in the larger work, but not so true as any but the most perspicacious would notice.

In any case, the title piece stands by itself as a very clever, witty essay in self-examination, the musings of an urbane, streetwise New Yorker, understandably preoccupied with the problems of middle age, infidelity, the marriages of friends, the general lunacy of the world about him. A man who has been there, who sees life as it really is—who knows the score and is convinced it has to be a joke. Doctorow fans will find *Lives of the Poets* a puzzle in parts, as much to the blurb writer as to enthusiastic critics the other side of the Atlantic. Taken as a whole though, it makes for a good enough read from someone more than ordinarily blessed with a talent for putting words together.

Much more of a piece—though on a less elevated plane—is Michael J. Arlen's *Say Goodbye to Sam*, a thoughtful first novel about the sexual triangle between a father, his son and his daughter-in-law, a theme that has attracted talents as diverse as Maugham and Truffaut over the years. The father is Sam, a gun-slinging, hard-riding Hollywood film director tempting perhaps to assume a parallel with the author's own novelist father—rigorous as ever at 72, still rampaging across his New Mexico ranch with the strength of someone half his age.

Son Tom, a reasonably successful journalist, revisits him after an estrangement of many years to introduce his new wife Catherine. Father and daughter-in-law hit it off at once, with results that are not as predictable as they at first appear. Father may still be the boss, but son is quite prepared to fight for his corner too.

An unhappy childhood is hinted at along the way—film projects in Europe, paternal infidelities, the problems of growing up in someone else's shadow—a familiar story, elegantly written, dominated throughout by an arresting portrait of an all too believable leading character. Debut is scarcely the right word for an author already well established as a writer of non-fiction—better to say instead that his first novel sees him successfully extending his talents in a new and welcome direction.

Lynn Guest's *Yedo* is a historical novel of 19th century Japan, Yedo being the old name for Tokyo in the days when the Japanese were cautiously emerging from centuries of isolation and contact with foreigners was still kept to a minimum, if not actually forbidden. To the first British legation for 250 years comes young Peverel Fitzpaine, an Oxford man and a bit of a prig (not always the same) who arrives with high Victorian ideals—this is 1860—but rapidly loses them in the arms of 15-year-old Umegawa, a child prostitute

E. L. Doctorow: Setting a puzzle for his fans

sold into bondage at the age of 11.

Umegawa's doctor is Tada Shoh, a forward looking man eager to learn everything he can from the foreign devils. Not so his brother Masayuki, who would prefer to cut off their heads. The Americans are in on the act too, in a well-researched if routine period piece based with the research seems a little intrusive, particularly in the use of proper nouns unfamiliar to the lay reader—are we talking about a city, a character, a code of honour or even what the glossary calls "a casual honorific used among male equals"? Japanese novels in translation are not usually this complex. Once one gets the hang of it though, everything rattles along in fine style and the author's mastery of her subject is displayed to good effect.

Some good effects, too, in *Every Day is Mother's Day*, a comic first novel built around a mentally defective daughter who steals bones from dogs and gets herself pregnant — so to speak — and her dotty mother who is convinced she can hear voices. The social services wade in with both feet but are powerless to help. A promising situation, aided by a brisk trade in one-liners—"They stood opposite each other digging into their pockets, like gunslingers in difficulty"—yet never fully exploited alas, perhaps because the subject-matter calls for a blacker form of humour than the author is prepared to deliver.

Other self

BY RACHEL BILLINGTON

Peterley Harvest
by David Peterley, edited by Michael Holroyd. Secker and Warburg in association with the Arts Council, £8.95. 286 pages

This book *Peterley Harvest* was first published in 1960. It purported to be a diary of the years 1930-40, edited by Richard Pennington, then chief librarian of McGill University in Canada. The author, David Peterley, was less easy to pin down. Despite the appearance of real people—some still alive today—in the diary, it gradually became clear that no such man existed. The mystery deepened when Richard Pennington suddenly withdrew the edition from circulation.

Now it is published again, this time with an explanatory introduction by Michael Holroyd who draws the conclusion that David Peterley is Richard Pennington. He does not base this on much information about Pennington—or at any rate not information shared with us—but he does say that Pennington was in London at the time, working as Gladstone Librarian at the National Liberal Club which would have given him access to various vividly convincing scenes and characters in the book. Rumour adds that Pennington was stunningly good-looking in his youth and now lives, married, and in some style in France. Rumour adds still further that he is not totally against the publication of his single work but not keen enough to wish for any involvement.

So *Peterley Harvest* is an example of "faction" or what Mr Holroyd describes more elegantly as "the substance of biography" allied to "the freedom of friction." Interestingly, the fiction predominates in the first half of the book which deals mainly with David Peterley's marriage and love-affairs. This seems to reflect the mood of the 1930s before Nazism and the approach of war made even someone as inward-turning as Peterley conscious of a wider arena.

Mr Holroyd suggests:

What Richard Pennington attempted to do was to create an Englishman of the Imperial decadence, a contemplative aesthete, incapable of action, who self-consciously reflects the mood of an inglorious period of English history.

Peterley is, to put it more simply, snobbish, lazy and selfish. He marries not for love but because he needs the right mistress for his grand country house. When he falls in love with a young pianist, most touchingly described, he will not take her into society and would not dream of marrying her. ". . . one does not go to Sydenham for wives." He never does a day's work in the obvious sense of the word, although he spends time in libraries with obscure research. He has no unselfish interest in his fellow man, whether at an intimate or political level. Indeed perhaps the biggest mystery of the book is how he retains our sympathy. Which he does. Musings on the nature of art, poetry, music and love are not necessarily enough. But then he is also the just living representative of a dying era and always aware of its death. "Peterley," his beloved family home, is a silent gloomy place with no future. He himself cannot even produce an heir nor makes much of an attempt. It is not altogether convincing to find him at the end of the book, in sudden possession of the energy and decision to leave England for Australia.

Yet he has shown some signs of change. As war becomes more threatening, he founds a political group for the defence of Czechoslovakia and even travels to Prague several times risking real danger.

Richard Pennington, in his original foreword, justifies the publication of an "intimate journal" by ". . . the revelation of the inner life of fugitive images in the mind, fitful impulses of the heart, that inner life with which most of us goes unrecorded and which is the aim of the official biography to conceal." It is a bold claim but Peterley Harvest does have the unusual feel of a work created without a mould and, as such, is well worth reading.

Are men different?

BY VALERY McCONNELL

'Men': A Documentary
by Anna Ford. Weidenfeld and Nicolson. £10.95. 290 pages

A documentary on men. Macho do about nothing, I wondered? Do they have more meaningful traits in common than shaving and wearing trousers? And if so, could Anna Ford discover what they were?

The book is divided into 16 categories. Some clear cut — Men as Fathers, Work, — others more arbitrary and often overlapping. A large part of the book is taken up with men's attitudes to sex and women—with a fair number who couldn't tell the difference. There are plenty of spicy, if infuriating, stories of extra-marital affairs. But aside from the voyeur, the book is aiming to have a more serious appeal. There are thoughtful statements from men whose adjustments to relationships have obviously cost them time, effort and anguish. Who have looked at their personal lives and the pressures on men and women in society and tried to make some adjustments between the two. They are in the minority. Judged from what is said here, men are non-reflective, often happy to be in a position of selfish superiority and with little understanding or interest in the woman they are involved with or the aims of feminism and how it is trying to change society. Yet I feel uneasy at concluding with Anna Ford how, "completely different men were from women in a number of significant ways." Like her I can only base my view on my own observations, but I would need a much more exhaustive investigation than this one to convince me.

Yet the book is compulsive. I was amazed by the story of Bob, the 58 year old prison officer, who at twenty-one married a woman who claimed to be 32 but turned out to be in her fifties. As he said: "I must have been very naive." Then there was Clive, the 26 year old casanova of the local constabulary who described in graphic detail his many sexual encounters, including the woman who insisted he keep his boots and helmet on because she had always wanted to make love to a policeman in full uniform.

Here is a book for the coffee-table rather than the university library shelf. Although, if a woman picks it up and reads it she may well feel like aiming it at the nearest male head.

ICI story

BY TONY JACKSON

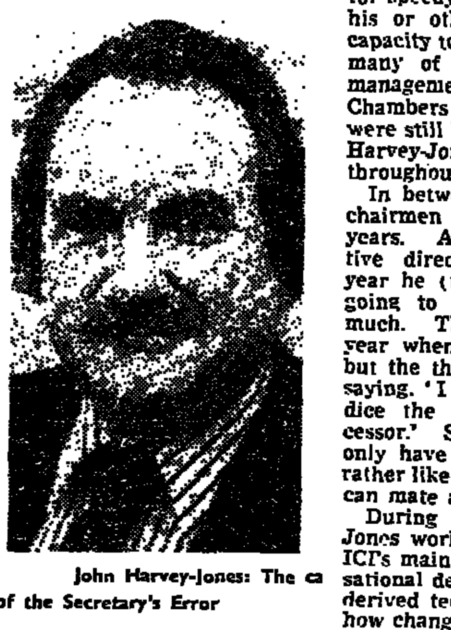
The Awakening Giant: Continuity and Change in ICI
by Andrew M. Pettigrew. Basil Blackwell, £32.50 hardback/£9.95 paperback, 542 pages.

From any viewpoint, ICI is a phenomenon. Based on a small post-industrial island off the coast of Europe, it is still one of the biggest chemicals companies in the world. It has outlived the institutions which sheltered its early years—the protected markets of the British Empire, the agreements with rivals which ruled out vulgar competition. It has emerged from the present recession with annual profits, announced a few weeks ago, of over £1bn.

The group has seen its bad times, and may again. Complexity of ICI's size and complexity pose dreadful problems of management. They are held together by a glue of culture and tradition which gives strength to their structure, but also rigidity. When the world changes, so must the companies. Making changes happen is another matter.

Professor Pettigrew's study of ICI tackles this issue at the roots. Over the twenty years which the book covers, the world economy and the chemicals industry have changed with a vengeance. The book gives a clear sketch of how this happened, but its main theme is the way in which the people in ICI grappled—and, not seldom, failed to grapple—with the problems raised.

This makes the book, as much as anything else, a work of sociology. At this point, the lay reader needs warning and encouragement. The first two chapters consist of a densely unreadable ramble on the nature of change and how it ought to be talked about. But when the book gets down to business the fog lifts, and the



John Harvey-Jones: The co of the Secretary's Error

deeply interesting nature of the argument emerges.

For Professor Pettigrew, ICI is not so much a society as a loose group of cultures. Any visitor to the group's divisions will be struck by the differences in outlook and tradition between the people working in agrochemicals, say, and petrochemicals. The book gives striking instances of this: how directives for change sent out from head office were quite differently received at the Wilton complex on Teesside and at the Billingham complex, 13 miles away across the river. Again, it is made perfectly clear that the head office and the main board represent a different culture again, itself requiring change before change can be dispersed to the divisions.

Professor Pettigrew has managed to get a lot of people in ICI to talk freely—even indiscreetly—and quotes them with relish. We learn about bizarre incidents such as the "Secretary's Error" of 1974, when John Harvey-Jones (now ICI chairman) commissioned a report highly critical of the group's organisation. His secretary mistakenly sent it to the then chairman, Sir Jack Callard. Sir Jack, "white with rage," demanded that the authors should be fired and wrote to Harvey-Jones, "are you trying to tell me that my 39 years have been totally wasted? Are you seeking to destroy my faith? Or are you making a bid for a new era launched by enlightened men?"

The latter, plainly. Professor Pettigrew remarks that of the six men to chair ICI since 1960 the two innovators have been the first and last—Sir Paul Chambers (1960-68) and Harvey-Jones (1982-). "Like many an instinctive reformer," he says, "Chambers' optimism for speedy change was ahead of his or other senior managers' capacity to create it. As a result many of the changes in top management culture sought by Chambers in the early 1960s were still being pushed by John Harvey-Jones and others throughout much of the 1970s."

In between came a series of chairmen with tenures of 2-4 years. An (unnamed) executive director says "the first year he (the chairman) is not going to lash about him too much. The second year is a year when he can lash about, but the third year he's already saying, 'I don't want to prejudice the position of my successor.' So you find that you only have one year in three—rather like elephants—when you can mate and make it happen."

During these years Harvey-Jones worked behind scenes as ICI's main defender of "organisational development," the U.S.-derived technique of looking at how change in a company could be brought about. Many older hands were deeply suspicious of the "long-haired spooks" employed to do this, especially given the apparently spectacular group therapy sessions which they organised and which drove several ICI managers into early retirement.

There are risks in keeping such company. Says one of the spooks, "when Harvey-Jones became a deputy chairman he dropped out . . . This was a recognition by John that he was an ambitious man and therefore had to watch his rear, his influence base, his political position in order to work for chairman. He suddenly realised he had a chance, I regretted him dropping out—you mustn't have any taint of the odd-ball."

All the same, a remarkable amount of change has taken place during Harvey-Jones's tenure. As Professor Pettigrew remarks, the spasms of change which ICI has undergone in the past 20 years have each required a business crisis to trigger them off; and the crisis of the early 1980s was the biggest of them all. There remains a clear note of scepticism about how far a company of ICI's size can change its nature at will. But as to what such a nature consists of, *The Awakening Giant* is an analysis of exceptional interest.

Crimes

BY WILLIAM WEAVER

Billingsgate Shoal by Rick Boyer. Gollancz, £8.95. 272 pages

Rightly awarded a Poe Award by the MWA, this rich and generous first novel reveals a notable talent. Really, it is too long, and the amiable oral surgeon-protagonist is somewhat too gluttonous for punishment. Scene by scene, the book works. The fledgling author knows how to make things taste and smell and sound. Every description has the ring of accuracy: Boston sleaze, Cape Cod sailing, boatyards and bars and cabins are beautifully portrayed. Mr Boyer also has an acute sense of social distinctions, accents, class relationships. The world of his book, in short, is a microcosm. Can he repeat such a remarkable achievement? Every reader will expectantly hope so.

Monkey Puzzle by Paul Gosling. Macmillan, £7.95. 256 pages

Here we are back in the English Department. American universities—if we are to believe our thriller authors—produce more bloodshed than a Balkan coup. Paula Gosling, however, takes us over this familiar ground with welcome freshness of eye; and she is particularly good at depicting the tensions and attractions between Kate Trevorne, an instructor (whose chief course is on the murder story), and Lt Jack Stryker, a man of quirks and charm. A neat variation on old themes, nicely written and convincingly expounded.

The Caravaggio Obsession by Oliver Banks. Gollancz, £8.95. 230 pages

Oliver Banks obviously knows Rome well, and his exploitation of the city as background for this art-theft thriller is skilful, not just something cribbed up from a Companion Guide and a two-week, all-in holiday. His protagonist Amos Hatcher—seen here in his second adventure—is also convincing: an art historian turned detective. The number one villain is less persuasive, but it hardly matters, since the mechanics of the story move so smoothly and the surroundings never cease to be of interest. For Caravaggio-lovers, the discussions of the master's works will be a bonus.

HOW TO SPEND IT

by Lucia van der Post

Small talk

IT'S Easter and time to think of the children (as if they'd let you forget). Anybody thinking of using the holidays as a useful time to kit the children out for summer will find that this year it is easier than ever to find the sort of casual chic in mini-sizes that once used to be the preserve of the French or Italian young set. I can well remember when my children were small and I used to sit on continental beaches wondering why I could never find those sort of clothes back home. Now you can—from Laura Ashley to British Home Stores and Mothercare the Bermudas or long shorts that used to be scarcer than snow in the Sahara are now to be found at prices that most people can afford.

For a little more you can buy the continental versions photographed above right. Benetton's children's chain, O12, as usual is doing a marvellous job in making available chic, but not overly chic, co-ordinated clothes in good colours and sturdy fabrics. All the O12 shops have a good selection and besides the outfits photographed here, there will be other shirts, sweaters, blouses and trousers that will co-ordinate with the pieces shown here.

This summer's colours are pink, pale blue and white for girls, red and navy and white for boys, with some khaki for both.

Many of the clothes, though, are unisex — the shorts here are £13.90, the girl's T-shirt in plain cotton is £5.90, the boy's T-shirt (made from honeycomb cotton) is £10.90. His jacket is £29.90, her cardigan is £30.90. The Tam O'Shanters are about £5 each.

For smaller children Irene Clayeux, a French designer, has come up with the practical idea of a cotton mix two-piece which can be worn with long sleeves and trouser legs (as in the photograph middle right) a tracksuit. Or the sleeves and lower legs can be removed when the going gets hot and it becomes more of a playsuit. £36 from Zero 4, South Molton Street, London W1; Bananas, 123 Northcote Road, London SW11; J. R. Taylor, St Annes-on-Sea, Lancashire and Hansel Gretel, Sandycove, Dublin.

Though David Plagerson officially is called a toymaker (indeed he won the Toymakers Guild Toymaker's Cup this year) in fact his toys are much too beautiful to be reserved for children. He is a craftsman in wood and almost everything he does is made to commission—currently he is working to three months' delivery time. Everything is hand-made and animals and arks (as in the photograph below) are his speciality.

He does a lovely ark set in mixed woods (elm, pine, yew, lime, beech, cherry, etc) so that the owners not only have a wonderful collection of ark and animals but almost a library of British timbers. A set in wood, with an ark (in Douglas fir) and 14 pairs of animals costs £155, but a painted set with 18 pairs of animals is £337 and a super painted set with 36 pairs of animals is £570. However, he also sells individual animals at £3.50 each for the smaller ones, £4.50 for the larger.

If arks aren't your thing, he also makes circuses, farmsets, trains, animals on wheels, guardsman on wheels and shire horses. Anybody interested in commissioning work from him (he will send a big selection of photographs) should contact him at 5 Cliff View Terrace, Gunnislake, Cornwall. (Tel 0822 833035.)

Above, Benetton's snappy Bermudas for summer. Below, a tracksuit that unzips to become a sunsuit. Bottom, hand-carved wood turns a toy into an heirloom.

HOW TO GIVE IT AWAY

IN A year that has seen much of Africa ravaged by drought and hunger, that has seen the coal strike and high unemployment at home, Easter seems a good moment for the How to Spend It page to take time off and look at How to Give It Away.

Giving it away, or the charity business, is very big business indeed these days. Last year some £10bn was given to British charities, tax concessions alone were worth some £500m and of the people in full-time employment in this country, one in about 40 works for a charity.

Given the sums of money involved, it isn't surprising that more people want to know what exactly is happening to their donations. The Charities Aid Foundation supplies much the most comprehensive information currently available and anybody willing to spend £9.60 on its report "Charity Statistics" (the new 1984/5 figures will be available in about six weeks) will find it a veritable treasure-trove of information.

Anybody wishing to compare the cost-effectiveness of the various charities should take note that it is almost impossible to do so fairly. In the table listed below (compiled with the help of the Charities Aid Foundation and the individual charities themselves) we weren't able to provide all the figures because of varying methods of accounting.

There are at the moment about 150,000 registered charities and if you are interested in a particular one but want to know more about its activities or finances you can either write to the individual charity or, for a more independent viewpoint, you can look them up in the Charity Commissioner's register. All the registered charities are obliged to send them their annual accounts.

However, the Charity Commissioners themselves freely admit that they don't have the resources to inspect all the accounts, let alone check up on their activities.

By and large there doesn't seem much evidence of widespread abouse but for those who want to make sure that most of the money they give goes to the cause they care about it is worth noting that of the money given in direct response to emergency appeals (like Ethiopia) an extremely high proportion (something like 98 per cent) goes directly on the emergency work.

When Which? did a report on giving to charity last year it found that their readers' favourite way by far of giving money was in face-to-face encounters with 74 per cent giving through door-to-door collections, 73 per cent through street collections and a mere 27 per cent through the most sensible, cost-effective way of all, by covenant. So if you think that now is the time when you want to rationalise your ways of giving it away, DINA THOMSON lists below the best, most efficient ways to do it.

DROPPING a pound coin into a charity box may give a spring to your step and a warm glow to your heart, but if you regularly give large sums of money to charity in that way you may be contributing more to your own sense of well-being than to that of the charity.

If you would like to make sure that your gift translates into as much cash as possible for the charity concerned, you should consider giving by covenant. This enables the charity to claim back from the Inland Revenue the tax you have already paid on your donation.

A covenant is basically a legally enforceable promise for not less than three years and it usually lasts four. You can limit the time period by stipulating certain conditions—such as "until I have children."

Once you know that you want to give a set amount per year to a particular charity, you should make a direct covenant with that charity. This effectively means that the Inland Revenue considers your donation to be the charity's money, not yours, and allows it tax relief.

If you are a basic rate (30 per cent) taxpayer, for every £100 you earn, you receive £70, and the taxman takes £30. Suppose you want to be able to give Save the Children—for example—£100 a year, but feel this would stretch your finances a little too much. If you give by covenant, you need pledge only £70, and after Save the Children has reclaimed the £30 in tax you paid the Revenue, the value of your donation will have been boosted to £100—the amount you earned before tax.

As a 40 per cent rate taxpayer, it will cost you just £60 to give £100 to charity, after the charity reclaims the £40 you have paid in tax.

Those on high tax-rates can take advantage of additional tax relief they receive on their donations, or design their covenants to take it into account. If you are a 60 per cent rate taxpayer and pledge £70, the charity will get £100: £70 + £30 (30 per cent tax paid on £100) in tax relief. But as a 60 per cent rate taxpayer you are liable to pay another 30 per cent in tax. As you have given the money to charity, the Inland Revenue will give £30 back to you after you file your tax return.

If you keep it, your £100 gift to charity will have cost you £40. Designing your covenant to make sure the charity receives the higher rate relief would mean your £70 donation would be boosted to £175 in the charity's hands.

Higher rate tax relief as a 60 per cent rate taxpayer, therefore, means that you can increase the benefit of your donation to charity even further without increasing your initial outlay, and a tax specialist should be able to advise you on how to do this.

In order to qualify for higher rate tax relief, the gross sum of all that you covenant must not exceed £10,000 in the 1985-86 tax year. The same limit applies to a married couple. Remember that donations to charities are subject to tax relief only so long as they are done by covenant, and the charity must be registered with the Inland Revenue.

If you feel that giving by covenant to one charity reduces spontaneity and your freedom to change your mind, do not despair. The independent Charities Aid Foundation (CAF) acts as banking service and allows you to spread your donations as widely as you want while paying by covenant.

You must pledge a minimum of £50 a year for four years when you make a covenant with CAF. The National Council for Voluntary Organisations, CAF's founder, receives 3 per cent of the annual income for each covenant, to be used for charitable purposes.

The flexibility CAF offers can be particularly useful if you wish to give to charity when disaster strikes, and do not want your money to be tied to a single — or even several — charities.

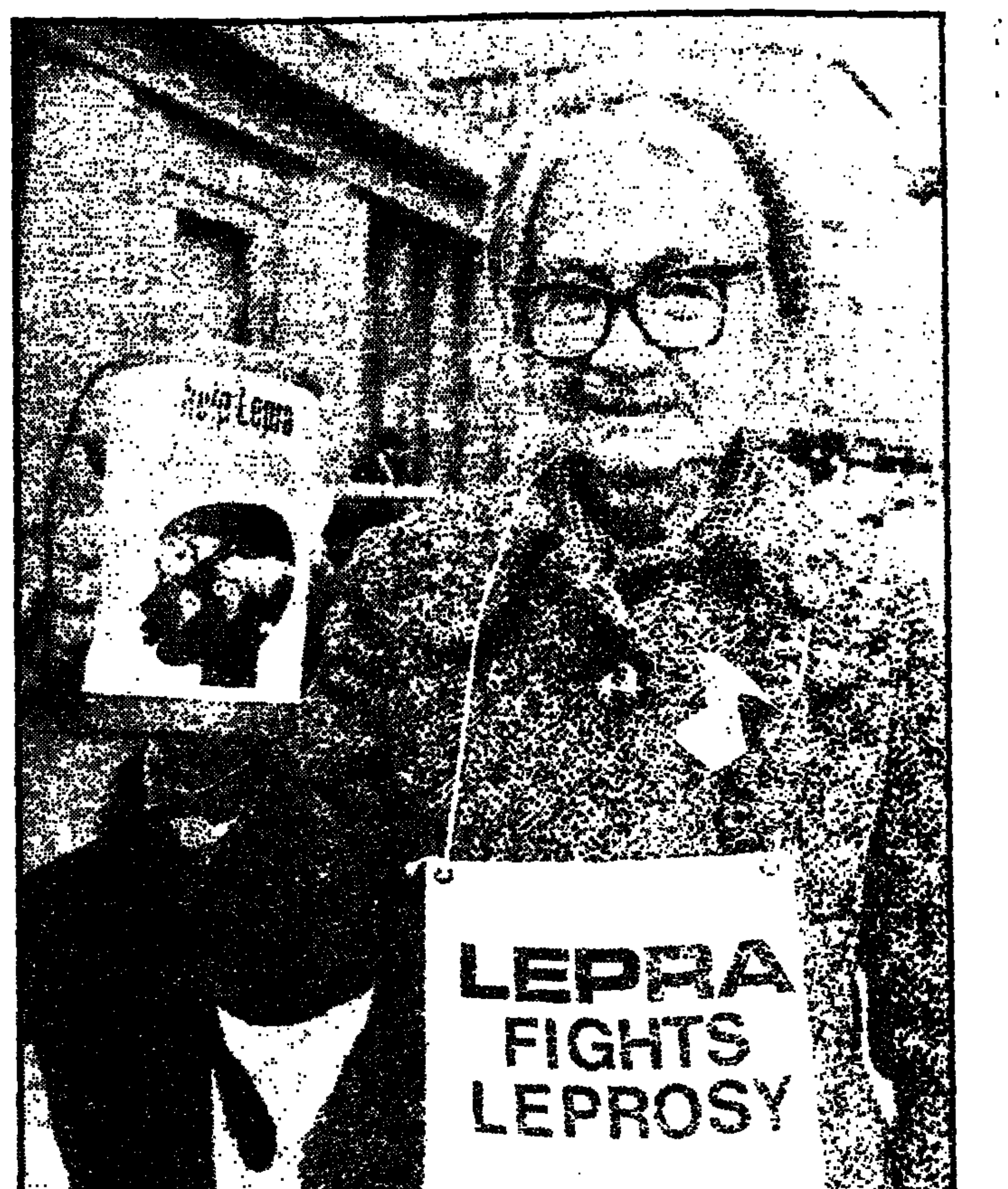
But if you would prefer something similar closer to home, you should consider setting up a charitable trust. You can set up a charitable trust yourself and covenant to place an amount of your choice in it to be used for charitable purposes. Before your trust is approved, it will have to undergo the scrutiny of the Inland Revenue and the Charity Commissioners with whom it has to be registered. If the sums involved are large, you should seek legal advice, it could cost you up to £200 to set one up.

If you have hundreds rather than thousands to give away, consider a charitable bank account. This is exactly what it sounds like — a separate bank account with a cheque book you would use to write cheques for charity whenever you chose.

When setting up the account, you would have to draft a document stating under covenant that you would only use the account for charitable purposes. You would also have to register with the Inland Revenue. Your accountant should be able to help with details of how to set up such an account.

Don't let any of this necessarily stop your contributions to the collection boxes rattled on street-corners or at your front door, if it makes you happy. But if you are going to give it away, you will find it goes a lot further by covenant.

Charities Aid Foundation, 48 Pembury Road, Tonbridge, Kent TN9 2JD. Tel (0732) 356323.



Hugh Routledge

TOP TEN CHARITIES

Charity	Income	Expenditure on publicity & fund-raising	Expenditure on administration	Expenditure on charitable activity
National Trust	£22,316,000	6 per cent	11 per cent	83 per cent
Cancer Research Campaign	£17,575,000	8 per cent for publicity and administration		92 per cent
Imperial Cancer Research	£16,590,000	7.5 per cent for publicity and administration		92.5 per cent
Oxfam	£16,394,000	14 per cent	4 per cent	78 per cent
Royal National Lifeboat Institution	£15,958,000	4 per cent on shop development 17 per cent	7 per cent	76 per cent
Salvation Army	£14,242,000	Due to the complexities of their activities we could not arrive at figures that were fair or appropriate.		
Dr. Barnardo's	£13,315,000	18 per cent	3 per cent	79 per cent
Save The Children	£9,829,000	12 per cent	2.5 per cent	85.5 per cent
Jewish Philanthropic Association	£9,179,000	Unable to supply us with suitable figures.		
Help The Aged	£8,984,000	25.1 per cent	2.3 per cent	72.6 per cent

Source: The Charities Aid Foundation report "Charity Statistics" for 1983-1984.

COOKING WITH PHILIPPA DAVENPORT

LONG-LIFE PASTRY

DECORATIVE tarts and flans make popular puddings, particularly if filled with beautifully glazed fruit or a delicate custard or some other creamy concoction. They look handsome and the contrast between crisp pastry and soft filling is very appealing. Sadly, however, this delicious contrast is sometimes lacking—by the time the tart is served the filling has seeped into the pastry making it wretchedly soggy.

Purists say that, if the filling is to be cooked in the pastry case, it ought to be added when the pastry is raw, but in my experience this practice more or less guarantees soggy results. Others partially blind-bake the pastry first, baking it for just 10 minutes or so before adding the filling, but I find this too brief to be really effective. I allow 10 minutes weighed down with "baking beans" plus 10 minutes after the beans have been removed, and think it advisable to take extra precautions as well.

One precaution involves brushing the partially blind-baked pastry case with a little raw egg white, and letting it dry out in the oven before adding the filling. In theory the egg white dries out to a shiny varnish which acts as a barrier seal keeping pastry and filling separate. In practice I find it merely slows down the rate at which the pastry absorbs the filling. Nonetheless it is a tactic well worth employing when making a quiche or sweet

Another trick is to sprinkle the partially blind-baked pastry base with a few spoonfuls of semolina or (better still) ground almonds. This method works on the blotting paper principle, the idea being that the semolina will mop up any juices which exude from a fruit filling, thus leaving the pastry crisply intact. It certainly helps and is worth doing next time you make, say, a French apple flan. But damp semolina eventually leads to damp pastry. As with the egg white trick, all will be well if the tart is eaten quickly, but any leftovers served next day are liable to prove disappointing.

If you want good eating results next day, I recommend you try a somewhat revolutionary approach. This is not partial blind-baking and "lining" the pastry in either of the ways described above, but blind-baking wholeheartedly and to a very unusual extent.

For each of the tarts which follows I used 5 oz plain white flour, 2½ oz butter and about 5 teaspoons of cold water to bind the dough. Each tart was blind-baked at 400° F (200° C) gas mark 6 for 10 minutes weighed down with "baking beans" and for a further 30 minutes once the beans had been removed.

totally unorthodox of course and you could argue that it does not produce true shortcrust pastry. The results are biscuity crisp, difficult for the filling to penetrate. I find it delicious and tarts made this way certainly seem to keep their good eating qualities far better than those made by more traditional methods.

ORANGE CURD TART

(Serves 6 to 8)

Aromatically scented with orange flower water and candied orange peel, this is a rich and delicious old-fashioned cheesecake.

1 x 8 inch shortcrust pastry case, thoroughly blind-baked; 1½ oz butter; 1½ oz caster sugar; ½ lb curd cheese; 1 egg, separated; 1 tablespoon triple distilled orange flower water; 2 oz whole candied orange peel, chopped.

Melt the butter in a small pan. Away from the heat, thoroughly beat in first the sugar and curd cheese, then the orange flower water and egg yolk, then the chopped peel. Whisk the egg white to snowy peaks and fold in.

Spoon the mixture into the prepared pastry case, slide it onto a preheated baking sheet and bake at 375°F (190°C) gas mark 5 for 40 minutes until puffed up, firm and pale gold. Serve cold, dusted with icing sugar and sprinkled with orange zest. I like to circle the tart with thin half-moon slices of unpealed orange. The blood oranges on sale now look particularly dramatic.

SUFFOLK TART

(Serves 6)

Most treacle tarts are filled with syrup-soaked breadcrumbs—sticky and exceedingly sweet. This is more sophisticated and subtle, a creamy lemon custard with syrupy undertones.

1 x 8 inch shortcrust pastry case, thoroughly blind-baked; 1 lemon; 5 tablespoons soured cream; 2 eggs; 6 scant tablespoons golden syrup.

Measure the syrup into a small pan and warm briefly over low heat—just long enough to make the syrup thin and runny, not hot. Away from the heat, stir in the finely grated zest of the lemon and 1½-2 tablespoons of lemon juice. Add the soured cream and lightly beaten eggs and beat with a [illegible] until everything is smoothly blended.

Pour the mixture into the prepared pastry case, slide it onto a preheated baking sheet, and bake at 350°F (180°C) gas mark 4 for 40 minutes until the filling is creamily set. Serve warm, not piping hot from the oven, or cold.

ELIZABETHAN TART

(Serves 6)

This tart is a little more trouble to prepare but well worth the effort. Very pretty and a delightful combination of flavours and textures.

1 x 8 inch shortcrust pastry case, thoroughly blinb-baked; 3 thin-skinned oranges; 7 fl oz water; 3 tablespoons honey; cinnamon and allspice; ½ pt double cream; 1½-2 teaspoons caster sugar.

Slice the oranges thinly, without peeling them, and remove pips. Put the slices into a bowl. Add the water, honey and a cinnamon stick, and leave to soak for several hours or overnight.

Turn the contents of the bowl into a saucepan, cover and cook very gently for about 30 minutes, just turning the slices of fruit occasionally. Remove and drain the oranges well, and boil the syrup until reduced to a few sticky spoonfuls.

Shortly before serving, sprinkle the sugar and a little ground cinnamon and allspice onto the cream. Whip the cream stiffly and spread it over the base of the prepared pastry case. Arrange the orange slices, overlapping and in circles, on top and brush with the warm syrupy glaze.

THE ARTS

Domestic misery in the Russian style

Variously known as *Smug Citizens*, *A Respectable Family* and *The Petty Bourgeois*, Gorky's first play, *Philistines*, is given a nerve-shredding, bumpy and thoroughly adictive major British premiere by the Royal Shakespeare in the small Stratford-upon-Avon venue, The Other Place. It dates from 1902, the same year as *The Lower Depths*. An inadequate fringe production once led me to think of it with as little benevolence as did the first Russian critics.

But John Caird's production of Dusty Hughes's tough and racy new version (from a literal translation zy Helen Rappaport) is a tumultuously and mercilessly vociferous evening in the household of the middle-class Bessemenovs, who are tearing each other to pieces with screech owl agruments and recrimination. The place also is a microcosm of late 19th-century Russia and its turmoil of class envy, political agitation, wandering tramps and well-heeled complecency under threat.

The incontinently foul-tempered paterfamilias is a prosperous artisan who resents the sullen manners of his educated children. Pyotr is a university drop-out and his siser, Tatyana, a worn-out young teacher nursing an unrequited passion for her train-driving foster-brother, Nil.

In its picture of rampant domestic misery, the play obviously settles a few of Gorky's personal grudges. But it also reflects the deep currents of discontent in a nation struggling towards a new identity, with free rein given to the wide variety of philosophic prescription that Gorky itemised in his third volume of autobiography.

The Bessemenovs have two lodgers: the cynical drunk, Teterev, and the ebullient widow, Yelena. Each represents violently contrasting aspects of Gorky's own experience, while the self-indulgent lassitude of the none the less sympathetic Tatyana leads to a suicide attempt (reflecting Gorky's own bungled effort) and a wonderful flurry of pious concern and gloating nosiness.

The main immplication of the disaster fr Besseomenov is that it puts pald to his chances of becoming mayor, and we watch the energetically maniacal David Burke chage off on an other selfpitying outburst. His righteousness is now disgusting, now almost incredilbe. For all its minor faults, this is a play that actually makes you want to stand up and interrupt proceedings. It is raw and persistent as well as very funny.

In a highly animate ensemble, there are indiviual fireworks from Clive Russell as the drunken philosopher; Anne Calder-Marshall as the brikht-eyed widow who gleans a few snippets of Schopenhauer (even she, though, might not confuse causal relationships with casual ones); and Sean Baker as the impetuous son who obviously will fulfil the old bird-catching tramp's (Mark Dignam) prediction that he will return to behave exactly as his father has done.

The tramp is a distant rela tive o fBessemenov (not distant enough, Bessemenov would say); and his daugther, Polya (Lesley Manville), along with Nil (a marvellous performance by Tom Mannion), is the repository of optimistic fervour that made Gorky, though absent at the time, a hero of the Revolution.

Tom Cairn's set of birches, scrubbed planks and a paper moon efficiently combines interior and exterior locations and, with the plangent piano music of Chopin, we have a natural habitat for the brilliant, possessed performance of Fiona Shaw as Tatyana: a slender, bug-eyed bundle of contradictions, a peripheral phantom who moves eerily through the four acts, twice collapsing in spreadeagled elegance, first on the dinner table and finally, unforgettably draped across the piano like a destroyed woodland animal as the scene of domestic fragmentation is complete.

Michael Coveney

Haitink to the rescue

BY ANDREW CLEMENTS

That final "s" of *Don Carlos* has gone again; for its latest revival of Verdi's masterpiece, the Royal Opera has reverted to the Italian text. Bernard Haitink conducted the French-laguage *Don Carlos* at Covent Garden two years ago but this time, according to the opera house, "it proved impossible to persuade enough singers of sufficient calibre to learn roles in French either for performance or for covering them." So *Don Carlo* it is, presented in the five-act edition of 1887.

The production has become accepted as one of the Royal Opera's finest achievements of the past 40 years. What is left of that now, apart from the visual splendour of a few of the sets, is less obvious. It shows its age not just in the tackiness of some of the scenery (the garden scene is a positive disgrace) but in the general lack of focus. Getting singers on and off the stage without mishap seems to have been the height of ambition during the rehearsals.

Happily, the musical component is on an altogether higher level of distinction, and for that Haitink must receive the bulk of the praise. Two years ago, his approach to the score did not convince everyone: now, though, it is hugely impressive for its strength, vigour and dramatic sureness.

Where Thursday's performance was most fiercely involving, it was almost always the result of the conductor's attention to sonority and pace. The scene between the King and the Grand Inquisitor developed an extraordinary momentum just because Haitink rendered its bass-orientated accompaniments so memorably; elsewhere, he shaped orchestral interludes (the introduction to the garden scene, for instance) with a refinement that the Covent Garden orchestra produces only for the favoured few.

Of the principal roles, only Robert Lloyd's Philip and Joseph Rouleau's Inquisitor have been seen in this production before. Lloyd is perhaps lightweight dramatically, but vocally he is assured; Rouleau remains on just the right side of malevolent melodrama. Among a cast not characterised by vocal richness, Giorgio Zancanaro (Posa) takes most of the honours with some full-bodied, unruffled singing, though his acting tends towards blandness.

Ileana Cotrubas's Elisabetta is an affecting portrayal, always fascinating to watch, but vocally she was below her best, with some effortful phrases, particularly in the first act. Luis Lima is likewise a sympathetic Carlo, though not an heroic nor dominating one.

As Eboli, Bruna Baglioni makes her Covent Garden debut; she has the power but little of the finesse and makes the character matronly with little of the necessary menace nor strange charisma. She sings only the first four performances; for later dates, when the production is to be recorded for video, the singer has still to be announced. The true excellence of the evening, however, is likely to remain rooted in the pit.

Janet Dale and Lindsay Duncan as two of the Merry Wives

Surreal Shakespeare

BY MICHAEL COVENEY

The 25th Anniversary Royal Shakespeare Company season in Stratford-upon-Avon is off to a flying start with Bill Alexander's tremendous revival of *The Merry Wives of Windsor*, a play that usually makes you yearn for Verdi. Five years ago, Trevor Nunn and John Napier gave us a sleepy Elizabethan village Windsor of timber, slate roofs and beech trees. Now, we have the new Elizabethan era of Harold Macmillan's suburbs with a clubbable Falstaff in plus-fours, yellow waistcoat and co-respondent golf shoes ensconced in the snug of the Garter Inn along with his spivvish Coronation mugs. They have never had it so good.

The idea, revealed in pre-publicity, is for once not scuppered by the event. The detail of the late 1950s is precise and enchanting but Mr Alexander and his designer, William Dudley, have crucially preserved the bourgeois farcical element in a creative painterly eeriness by floating the period through a scrupulously intelligent reading of the text. It is as though Dali or de Chirico had been locked in conference with John Barton and the RSC directorate. In the end, it is not all that anachronistic when Ford and his oddball cronies pick up blunderbusses and chase off to Windsor Great Park for a spot of high-spirited amateur dramatics around the old oak tree.

The tree, in one of the show's most brilliant gags, is a victim of Corporation bureaucracy. Peter Jeffrey's discomfited knight has a mere stump on which to relax his haunches and receive the jocund wives in the fairy masque, led by Bruce Alexander's shrewish Hugh Evans now disguised as Big Ears. This lovely touch is in tune with the artfulness of a design that floats and flies around a Heath Robinson mobile confection of clocks (including a cuckoo), bus stop signs and ceramic greyhounds backed off on the cyclorama by a blazing orange sunset. Jeremy Sams' sound track conjures the world of rock and roll, 1950s jazz and indeed, most appropriately, Ealing Comedy. Sheila Steafel's marvellous Quickly is indeed an Irene Handl impersonation in a mauve beret, affectionately executed with a superb running gag involving the revolve and her tipsy predilections.

The wives themselves are done as Mike Leigh creations by the inspired pairing of Janet Dale and Lindsay Duncan. They have an almost symbiotic attitude to their duping of Falstaff; their foul vowels are a front for am dram aspirations. When Mr Jeffrey comes through the cream front door and its stained glass owl, he throws a box of Black Magic on the sofa, his hat over the banister and is immediately subjected by Miss Duncan, who plays Mistress Ford to the high comedy manner born, to a smoochy fox trot which leads into a cruelly destructive cha-cha-cha.

The language of the period continuously feeds a rich farcical interpretation of the comedy. Falstaff's page is obviously an Etonian fag committing truant in the pub behind his dandy; Paul Spence's poetic Fenton is very beatnik in his black leather jacket and clip-on sunglasses but for once his overheated enthusiasm for the masque makes accumulative sense and nothing seems more obvious than that the wives should set their initial trap for the bloated pub bore at the hairdresser's under the drier, diaries at the ready.

Mr Jeffrey's Falstaff is a wonderful creation, a wax mustachioed cheer-leader played with an undertone of charm and vulnerability, as a misplaced blithe spirit in a suburbia where Nicky Henson's horn-mad Ford is the physical expression of the production's floating surrealism. Mr Henson brings all his brilliance as a farceur to bear on the search scenes, standing up in a palpably empty laundry basket to kick its sides in case of smuggled adulterers or leaping across his Ideal Home furniture to brain the Old Woman of Brentford with a brass bed-pan. These moments are deliriously funny. His alter ego is a little Hitler in a yellow bicycle mac, hands desperately protruding to register disastrous exposition as Mr Jeffrey slaps him confidentially on the back.

Turning education into entertainment

Teach-yourself cassettes are still the best corner of the video market. While feature films groan under the twin impact of poor-quality transfers and lopped screen ratios, and while pop videos seem ever more like explosions of style frantically in search of some content, educational videos unspool happily on your VCR as if to the medium born.

Thorn-EMI's *What A Picture!* is an exemplary chunk of self-improvement. Guided by Professor John Hedgecoe, of the Royal College of Art, we traverse four programmes about the skills and techniques of still photography: from basic hints about angles and lighting to the full panoply of expressive effects you can get from filters, lenses, superimpositions, Vaseline-smears and even (this was new to me) breathing on the lens.

Hedgecoe belongs to that wondrous breed of "common touch" pundits who include such as David Bellamy and Fred Housego. As he steers us through the aesthetic maze of the photographic art, he sounds a bit like Freddie Laker showing one round the Prado. "Here's an intrestin' pitcher" he will burble as an arcanely abstract shot of an airborn pole-vaulter (looking like a flying stick-insect attacked by sticks) rears into view. Or he will usher us into the presence of "The Magnificent Moola," a fearsome lady wrestler whose opponents fly through the air with the greatest of ease while Hedgecoe snaps away at the ringside. "The blur of the body makes a very intrestin' pitcher."

In the hands of this downbeat charmer we are as educational putty. Hedgecoe is superbly lucid and simple: not just in defining and illustrating each of the basic elements of a good picture—shape, colour, tone, pattern, texture—but in telling you why you should or shouldn't take it in the first place. "Unless your pitcher attempts to capture something special," he rightly insists, "don't take it." So snaps of Granny posing in front of the Sphinx or Fido romping on Bognor Sands are out. If you go to a slide-show at Hedgecoe's home, you're more likely to see the Magnificent Moola in full cry, or perchance many wonderful things you can through an artful arc of mist (Hedgecoe has breathed on the lens).

Amateur photographers should rush out and snap up this splendid series. So, too, should some professional photographers: not least of the moving-camera variety. The great boon of video for the feature film student is that it has opened the floodgates to some of the truly awful rubbish that in days gone by would have languished forever on the studio shelves.

Take *Ator, The Fighting Eagle* (Thorn-EMI). This is one

VIDEO

NIGEL ANDREWS

of those movies where mythic ladies and gents cross swords and destinies in the Dawn of Time. They also cross lines of deadly dialogue: "Beware the wrath of Griba," "Yonder lies the Protectorate of the Spider," etc. Miles O'Keeffe, wearing a John McEnroe headband and pectorals like dinner plates, is Ator and is even more cumbrously inexpressive here than he was opposite Bo Derek in *Tarzan*.

But the true horror is the look of the film. Foolish plots and death-defying dialogue can take on a camp effervescence if shot brightly amid loony decor. But *Ator* is shot in an identikit Dark Ages of fur and flint and in the flattened light of an overcast day in Slough.

A couple of Turneresque landscapes—sunset squeezed through weeping skies, trees dissolving in a shimmery veil of mist—do wonders by contrast to redeem Pal Gabor's Hungaro-American *The Long Ride*. This is the tale of a U.S. fighter pilot (John Savage) joining a band of Magyar horsemen after he's been shot down over occupied Hungary during World War II. Will the Nazis nab him? Will his native camouflage help him escape to the border? The story, told somewhat wanly by Gabor (of *Angi Vera*), enthralls us less than the dazzling images sprung from cameraman Elemer Ragyali's palette.

TODAY'S TELEVISION AND RADIO

BBC 1

† Indicates programme in black and white

8.30 am Roobarb. 5.35 Battle of the Planets. 9.00 Saturday Superstore. 12.00 The Gospel According to St John. 12.12 pm Weather: News. 12.15 Grandstand, including 12.50 News Summary; coverage of the Ladbroke University Boat Race between Oxford and Cambridge; Football Focus; Racing from Haydock Park; Swimming; Rugby League; Formula One Preview; and at 4.40 Final Score. 5.05 News. 5.15 Regional programmes. 5.20 The New Adventures of Wonder Woman. 6.05 Terry and June. 6.35 The Noel Edmonds Golden Easter Egg Awards. 7.05 The Paul Daniels Magic Easter Show. 8.00 Dynasty. 8.45 News and Sport. 9.00 "Blazing Saddles." 10.30 Match of the Day. 11.20 The Gospel According to St John. †11.30 All Time Great Movies: "Dr Jekyll and Mr Hyde," starring Frederic March.

Regional Variations

Wales—5.15-5.20 pm Sports News Wales.

Scotland—5.15-5.20 pm Scoreboard. 10.30 Sportscene. 11.20-11.30 The Last Seven Words.

Scotland—5.15-5.20 pm Scoreboard. 10.30 Sportscene. 11.20-11.30 The Last Seven Words.

Northern Ireland — 4.55-5.05 pm Northern Ireland News. 5.15-5.20 Northern Ireland News. 1.05-1.10 am Northern Ireland News Headlines.

England—5.15-5.20 pm London—Sport; South-West—Spotlight Sport and News: All other English regions—Sport and Regional News.

BBC 2

1.25 pm The Sky At Night. †1.45 Will Hay in "The Ghost of St Michael's." 3.05 The Day The Universe Changed. 3.55 "Flower Drum Song," starring Nancy Kwan. 6.00 The Lions of Kora. 6.50 News and Sport. 7.05 "Inside Daisy Clover," starring Natalie Wood. 9.10 Francis Ford Coppola. 10.00 Harty Goes To Monaco. 10.30-12.50 am "Little Big Man," starring Dustin Hoffman.

LONDON

6.15 am TV-am Breakfast Programme. 9.25 Cartoon Time. 9.35 Peter and the Magic Egg. 10.00 BMX Beat Final. 10.30 "Mandrake the Magician." 12.15 pm World of Sport: 12.20 Motor Cycling; 12.50 News; 12.55 On The Ball; 1.25 Motor Cycling; 1.45 The ITV Six from Kempton and Newcastle; 3.20 Motor Cycling; 3.45 Half Time Round-up; 4.00 Wrestling; 4.45 Results. 5.00 News and Sport. 5.05 Blockbusters. 5.35 Chips. 6.30 The Price is Right. 7.30 Robin of Sherwood. 9.30 News and Sport. 9.45 "Love Song," followed by London News Headlines. 11.45 Peggy Lee and Roberta Flack in Concert Live at City Hall. 12.45 am The Seven Deadly Sins.

CHANNEL 4

1.05 pm Black and White and Read All Over. †1.35 "The Great Ziegfield." 4.45 Dangerous Journey. 5.05 Brookside. 6.00 The Max Headroom Show. 6.30 The Story of Abba. 7.25 News Summary. 7.30 K2—The Elusive Summit. 8.30 "God Rot Tunbridge Wells!" †10.40 "All About Eve," starring Bette Davis.

S4C WALES

2.00 pm Hey Good Looking! 2.15 7 Up. 3.00 Repercussions. 4.05 Americans At War. 5.05 Where in the World? 6.30 The Avengers. 7.30 Newyddion. 7.45 Sion a Sian. 8.15 Portreadau. 8.50 Pedwar ar Bedwar. 9.20 Y Maes Chwarae. 10.10 Canwio. †10.40 Feature Film: "The Browning Version," starring Michael Redgrave.

IBA Regions as London except at the following times:—

ANGLIA

5.05 pm "Alias Smith and Jones." 12.45 am Undercurrents.

BORDER

5.05 pm "Alias Smith and Jones."

CENTRAL

5.05 pm Saturday Cinema: "Alias Smith and Jones."

CHANNEL

9.35 am Tarzan. 10.20 Puffin's Pla(i)ce. 12.14 pm Channel Islands Weather Summary. 5.05 Puffin's Pla(i)ce." 5.10 "Alias Smith and Jones."

GRAMPIAN

5.05 pm Blockbusters. 5.35 The Fall Guy. 12.45 am Reflections.

GRANADA

5.05 pm "Alias Smith and Jones." 12.45 am Hawaii Five-O.

HTV

5.05 pm "Alias Smith and Jones." starring Pete Duel, Ben Murphy, Susan Saint James, James Drury, Earl Holliman and Forrest Tucker. 12.45 am Wide Awake.

SCOTTISH

5.05 pm "Alias Smith and Jones." 12.45 am Late Call.

TSW

9.35 am Freeze Frame. 10.27 Gus Honeybun's Magic Birthdays. 12.12 pm TSW Regional News. 5.05 Newsport. 5.10 Feature Film: "Alias Smith and Jones." 12.45 am Postscript.

TVS

5.05 pm "Alias Smith and Jones." 12.45 am Company.

TYNE TEES

9.25 am Morning Glory. 9.55 Young Lookaround. 5.05 pm "Alias Smith and Jones." 12.45 am Poet's Corner.

ULSTER

12.48 pm Lunchtime News. 4.55 Ulster Sports Results. 5.03 Ulster News. 5.05 Feature Film: "Alias Smith and Jones." 9.43 Ulster News. 11.45 Circuit Report 1985. 12.15 am News at Bedtime.

YORKSHIRE

9.25 am Regional Weather Forecast. 5.05 pm "Alias Smith and Jones," starring Pete Duel and Ben Murphy.

BBC RADIO 2

...(S)=Stereo on VHF...

8.05 am David Jacobs (S). 10.00 Sounds of the 60s (S). 11.00 Album Time (S). 1.00 pm The News Huddlines. 1.30 Sport on 2 including Football Preview; 1985 Motor Racing P. G. Season; Rugby League; Racing from Kempton Park; University Boat Race; Motor Cycling; Football; Sports Report; 5.00 Classified Results; 5.30 Rugby Round-up; 5.35 University Boat Race; 5.50 Racing Results; 5.55 Pools News and Results. 6.00 Folk on 2. 7.00 Jump! 7.30 Saturday Gala Concert (S). 9.30 Big Band Special (S). 10.02 Sports Desk. 10.05 Steve Jones (S). 12.05 Night Owls (S). 1.00 Steve Madden presents Nightride (S). 3.00-4.00 Wally Whyton introduces Country Concert (S).

BBC RADIO 3

7.00 am News. 7.05 Aubade (S). 9.00 News. 9.05 Record Review (S). 10.15 Stereo Release (S). 11.25 BBC Welsh Symphony Orchestra (S). (12.10 pm Interval Reading.) 1.00 News. 1.05 Borodin Piano Trio (S). 2.00 Otto Klemperer (S). 5.00 Jazz Record Requests (S). 5.45 Critics' Forum. 6.35 Music for Organ (S). 7.15 Moscow Virtuosi (S) (7.55 Interval Reading). 8.40 Fauré piano recital by Jean-Philippe Collard (S). 9.35 Strauss Suite: Le bourgeois gentilhomme (S). 10.15 Beethoven (S). 11.00 Peter Schreier sings Schubert's "Die schone Mullerin" (S). 12.07-12.10 am News.

BBC RADIO 4

7.00 am News. 7.10 Today's Papers. 7.15 On Your Farm. 7.45 In Perspective. 7.50 Down to Earth. 7.55 Weather; Travel. 8.00 News. 8.10 Today's Papers. 8.15 Sport on 4. 8.48 Breakaway. 9.50 News Stand. 10.05 The Week in Westminster. 10.30 Pick of the week (S). 11.30 From Our Own Correspondent. 12.00 News: Money Box. 12.27 pm Nineteen Ninety-Four (S). 12.55 Weather. 1.00 News. 1.10 Any Questions? 1.55 Shipping Forecast. 2.00 News: The Afternoon Play (S). 3.00 News: Funny You Should Sing That. 3.30 Mr Midshipmen Clark. 4.15 Tinnitus—Sounds of Destruction. 4.45 Bolshoi Tyshinksy No 26. 5.00 Wildlife (S). 5.25 pm Stilgoe's Around at the Radio Festival. 5.50 Shipping Forecast. 5.55 Weather; Travel. 6.00 News— Sports Round-Up. 6.25 Desert Island Discs (S). 7.05 Stop the Week with Robert Robinson (S). 7.45 Baker's Dozen (S). 8.30 Saturday-Night Theatre (S). 9.58 Weather. 10.00 News. 10.15 Evening Service (S). 10.30 Soundings. 11.00 11.30 In One Ear. 12.00-12.15 pm News.

Company Notices

PUTNAM EMERGING HEALTH SCIENCES TRUST S.A.

Société Anonyme d'Investissement
Luxembourg, 43, Boulevard Royal
R.C. Luxembourg B 20958

Notice of Meeting

Messrs. Shareholders are hereby convened to attend the Annual General Meeting which will be held at the offices of Kredietbank S.A. Luxembourgeoise, 43, Boulevard Royal, Luxembourg, on April 16th, 1985 at 3.00 p.m. with the following agenda:

Agenda

1. Presentation of the reports of the Board of Directors and of the Statutory Auditor.
2. Approval of the balance sheet and profit and loss account as at December 31st, 1984 and allocation of profits.
3. Discharge of the Directors and the Statutory Auditor for the period ended December 31st, 1984.
4. Action on nomination for election of Directors and a Statutory Auditor for the ensuing year.
5. Any other business which may properly be brought before this Meeting.

Shareholders are advised that there is no quorum requirement for all the items of the agenda and the resolutions thereon will be passed at the simple majority of the shares present or represented at the Meeting, subject to the restriction that no Shareholder either by himself or by proxy can vote for a number of shares in excess of 1/5 of the shares issued or 2/5 of the shares present or represented at the Meeting.

Holders of bearer shares may vote at the Meeting in person by producing at the Meeting either share certificates or a certificate of deposit which will be issued to them against deposit of their share certificates with Kredietbank S.A. Luxembourgeoise, 43, Boulevard Royal, Luxembourg.

Holders of bearer shares may vote at the Meeting by proxy by completing the form of proxy which will be made available to them against deposit of the share certificates as aforesaid.

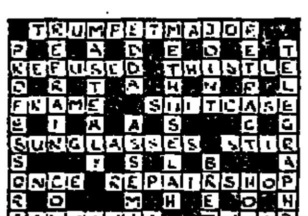
Share certificates so deposited will be retained until the Meeting or any adjournment thereof has been concluded.

Holders of registered shares may vote at the Meeting either in person or by proxy by completing a form of proxy which will be sent to them.

In order to be valid all forms of proxy must reach the registered office of the company at least one day before the date of the Meeting.

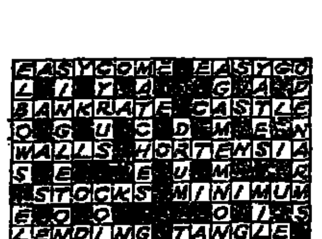
By order of the Board of Directors

Solution to Puzzle No 5,686

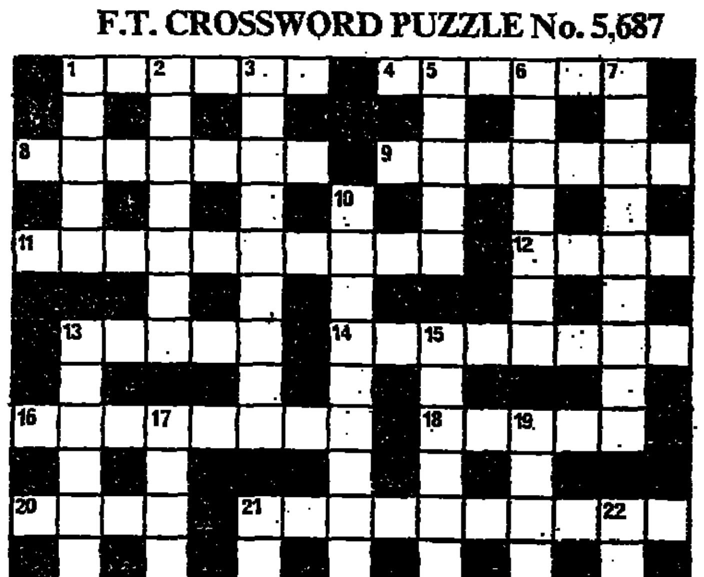


SOLUTION AND WINNERS OF PUZZLE NO. 5,682

Mrs E. Coundon, 10 Oldbury Close, Churchill North, Redditch, Worcs.
Mr J. H. Perryman, High Beech, Manor Road, Penn, Bucks.
Mr R. Chainey, 4 Camel Street, Marston Magna, Yeovil, Somerset.
Mr B. Mackay, 17-19 Barter Street, London, W.C.1.
Mr M. Devonshire, 10 Addiscombe Road, Crowthorne, Berkshire.



F.T. CROSSWORD PUZZLE No. 5,687



A prize of £10 will be given to each of the senders of the first five correct solutions opened. Solutions must be received by next Thursday, marked Crossword in the top left-hand corner of the envelope, and addressed to the Financial Times, 10 Cannon Street, London EC4P 4BY. Winners and solutions will be given next Saturday.

Name ....

Address ....

....

ACROSS

1 The last month a politician can get leave (6)
4 A city street by the water (6)
8 Dancer taking a step one way (7)
9 The smallest clothes are still being pushed in behind (7)
11 Topping property with growth-potential (4-6)
12 A credit note secures some land (4)
13 Deposit put on a casual jacket (5)
14 Thought again and saved (8)
16 Profit made in street conversion (8)
18 Good man going round prison and getting exhausted (5)
20 Career people (4)
21 Suppressing more things appears wrong (10)
23 Pests like accepting money with cover (7)
24 He'll put up a quarter—a churchman will follow (7)
25 A terse eccentric needed a holiday (6)
26 Always returning a service shows honour (6)

DOWN

1 A little place in Oxford is confidently recommended for dancing (5)
2 Slope off to build frame after church (7)
3 Spread ruin—gained about a pound (9)
5 Aim to exercise (5)
6 Declare overtime is quite usual (7)
7 Check a little man's cleaning (9)
10 Love to ordain a change (9)
13 Long drink incorporating very soft fruit (9)
15 Five hundred is the price for release (9)
17 When they close down viewing's at an end (7)
19 A listener's complaint (7)
21 The setting for some confrontation (5)
22 A bond the egghead promptly sent back (5)

CHESS SOLUTIONS

Solution to Position No. 562

1 . . . P-N5 ch; 2 PxP, B-K7! 3 PxP, P-R4! 4 P-N3 (to stop B-N5 mate), BxR wins with the extra piece. In the game Black ployed 2 . . . PxP ch? 3 KxP, B-K7 ch; 4 K-B5, BxR; 5 KxB draws. Also wrong is 1 . . . B-K7 2 P-B4!

Solution to Problem No. 562

1 R-R6, PxN; 2 RxP, P-N4 (or K-B5; 3 RxQBP); 3 Q-Q4 mate. If 1 . . . K-Q3; 2 Q-K5 ch! KxQ; 3 N-B4 mate.

LEISURE

Archaeology: **Gerald Cadogan**

Balloons and kites hover over the past

BALLOONS and kites seem unlikely new tools of *archaeology*. But cameras suspended from them often give better pictures of ancient remains than from planes or helictopers, as they are low-level pictures.

The balloon can record a single building from as low as 10 metres without any dust or disturbance. The pictures are of startling clarity and always *truly vertical*.

Aircraft have been used for archaeological *photography* since about 1920, following their use for observation in World War One. One of the pioneers was O. G. S. Crawford, the first archaeological officer of the Ordnance Survey. In *1922 he used air* photographs of Hampshire to show the early field systems.

In 1928 Crawford and Alexander Keiller (of the marmalade family) produced *Wessex from the Air:* 59 plates with explanatory diagrams. Since then the method has flourished with exciting *results in places as* different as North Africa, Italy, Iran and Britian.

Aircraft are best for higher shots, while the balloon has a limit of about 750 metres, beyond which the weight and *drag of the* rope become too much. Aircraft archaeology relies most on shadows and crop marks to show deserted villages, Roman roads, Iron Age field systems or still earlier wooden henge monuments, which are round sanctuaries like Stonehenge.

Seen in the right light the *shadow* of a slight rise of the ground or thickening of the *crop suddenly* becomes part of a pattern that makes archaeological *sense*.

Variations in the soil itself are another clue, which helps when the fields are bare of crops. In the Fenland, besides finding the old field systems which are the basis of agricultural economies, soil variations made it even possible to see the extinct river system, which existed before drainage began in the 17th century.

Aircraft are not so well suited for low-level shots, and helicopters are even worse with their vibration and dust making downdraughts. They do not help, for instance, for low photographs of submerged remains because the draughts ruffle the water. So balloons and kites are increasingly used.

Balloons were tried once in the past, at Megiddo, Israel, when a heavy camera was *suspended from a* hydrogen balloon in 1930. The pictures were promising, but the experiment ended when a gust of wind brought all to the ground. Wind is still the main problem of balloon archeology.

If the wind is bad, the balloon controller and the reelman —who has the reel on a back-pack frame—may have to race over hedges, ditches and walls while trying to reel it in in an orderly way.

They have to save expensive cameras and the balloon itself with its gas, which may be difficult to replace in an out-of-the-way spot. Another hazard is the slight danger of an explosion from the hydrogen, which makes sites with too many electric or telegraph wires difficult: the last thing needed is for the wind to move and the balloon to be wrapped in high-voltage lines. For sites in town helium — more expensive but *non-inflammable — is used*.

Coping with the wind has led *to a change from a spherical* ballon of the old-fashioned hot-air shape, to a kite-shaped balloon. Kites can also be used when the wind is too strong for ballons, or at steep and inaccessible places which one cannot *bring the balloon or the big* gas cylinders to.

For high photographs the balloon has a single rope, which appears as a thin white triangle in the pictures. Low shots have a rope either side of the camera to position it over the right spot. The two cameras are suspended on a gimbal from the balloon.

Professor and Mrs Wilson Myers, who have done much ballooning in the Mediterranean, use a 35 mm camera for colour and a large Hassel*blad for black and white. The* Hasselblad is of the sort used by the astronauts on the moon, simple but with excellent resolution. The cameras are fired by radio from the ground and wind on automatically.

Every time a film is used, the balloon must be hauled in, *which is hard work since one* is pulling against the lift of the hydrogen.

After the last photographs the balloon is parked somewhere safe, with no *smoking* nearby, till the negatives have been developed and checked. The balloon may be deflated if all is well. Final notes are made, and the team moves on to another site.

It is essential for archaeologists always to aim for the best *possible visual recording*. Balloons are an ideal method for anything best seen vertically at a distance from 10 to 750 metres when work has been completed and the final photographs are needed. For everyday low shots, ladders or platforms are best, though the photographs are usually not vertical. I am often climbing ladders, holding two cameras and several lenses, perched precariously in a strong wind, *while people* below tell me not to worry.

Balloon photograph of the odeon (recital hall) at Gortyn in Crete

Michael Donne on the University Boat Race

Oxford goes for ten in a row

OXFORD go to the stake-boats for this year's University Boat Race hopeful of achieving an unprecedented run (for them) of 10 victories in a row (Cambridge achieved 13 in a row from 1924 to 1936).

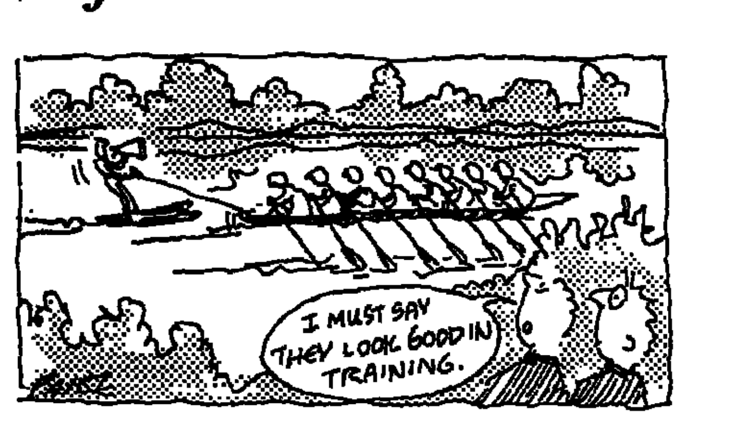
But, on the form shown over the past two weeks since both crews came down to the Tideway for final training, Oxford *are going to be pushed hard*. Undeniably, they are the older, heavier, *more experienced*, and stronger crew, more solid through the water, and with more punch to their strokes.

Graham Jones, last year's president of the OURC, and Bill Lang, are Old Blues with victories behind them, and that makes for much confidence. Oxford's *American stroke*, Fran Reininger, is a Pan American champion: Bruce Philp, rowing at three, is desperate to win a Boat Race, having been in two losing Cambridge crews and now for study reasons having *transferred to Oxford—the first* man to row the race for both universities. The cox, Seth Lesser, is an experienced Tideway hand.

As a crew, Oxford on paper should have it made. They won *the Reading Head of the River* Race, and have performed well against the cream of the available Tideway pacing crews in training.

But Cambridge have a lot on their side. They have had, for *a start, the benefit of* Neil Campbell, the Canadian Olympic coach whose crew won the Gold Medal at Lake Casitas, and whose tough methods have done for Cambridge what Dan Topolski's own brand of iron *and fire have done for Oxford* over recent years. Whether Campbell's words of wisdom have had enough time to sink in, only the race will show.

Cambridge, according to the "bankside pundits," have produced their best crew since they last won in 1975. They are short *out in front to clinch that much* *desired tenth victory*.



on Old Blues, but with John Pritchard at stroke they have a World and Olympic silver medallist, whilst John Garrett, at seven, is another Olympic oarsman. Cambridge are smooth, elegant and speedy, especially off the start, but whether they can hold their stride in the rough Tideway conditions is the big question mark.

Cambridge could win the toss, choose Surrey, and jump away with a fast start, aiming to hold Oxford round that long first Surrey bend, especially if the weather is rough and the water really vicious. If they can do that, and still be in front by Hammersmith, they could well end Oxford's long winning run, for it is a truism that the race is more often than not won by *Hammersmith* Bridge. Cambridge, moreover, have the *determination to win, to end* that humiliating run of Oxford victories.

Oxford know that well, so they can be expected to move out strongly, the solidity they have shown in training enabling them *to hold Cambridge round that* bend, and crack them by Harrods Repository. If Oxford win the toss, and choose Surrey, then the race takes on a different tactical scenario.

Oxford could hold off Cambridge's early challenge, crack it beyond Hammersmith move

The past two weeks on the Tideway have not been without their problems—sickness has been the customary burden, and the Tideway conditions, in the wet and windy weather, have been foul. Only those who have rowed over the Tideway can really know how quickly the bad water can knock the stuffing out of a crewman and demoralise a crew *that may* already be trailing and unable to see their opponents forging away ahead.

Everything this year depends upon the weather and upon that early mile and a half—how *quickly both crews can get* away, how well precision rowing can wear down the opposition and enable a crew behind to come through to lead.

Coxing, too, plays its part. Henrietta Shaw for Cambridge *is new to the Boat Race*. Seth Lesser for Oxford is not. Experience on the day could tell.

I predict a closer race than we have seen for some time. If the weather is bad, splash-boards will be essential, and long warm-up rows down river before the start will be *foolish*, shipping unnecessary water.

Oxford can win, but they are going to be made to work harder for it than they have ever imagined. That magical 10th victory is by no means in the *bag* yet.

Investment in art: **Anthony Thorncroft** reports

Renewed interest in drawings

OLD MASTER drawings have come into their own after years in which they were regarded as the poorer man's substitute for Old Master pictures. The Chatsworth sale last summer, when *the Duke of Devonshire sold* 71 of his drawings through Christie's for £21.1m (after the British Museum had turned them down at a price of £5.25m), brought home both the quality of such drawings, and their value in the market. A head by Raphael made £3.56m; a *sketch* by Holbein £1.56m; a Mantegna £1.2m. Suddenly, *drawings had* come in from the shadows.

The Chasworth sale was just the most flamboyant expression of an underlying trend. Historical research, better educated public awareness and an appreciation of the sheer quality of the drawing had *established* a growing and committed demand.

This has been reflected in steadily rising prices over the past five years, especially for the best works. There should be no unsettling rapid increases in price for this is still mainly a connoisseurs market.

But as new *discoveries* are made, as the wrong attributions are *swept away*, as the museums, such as Getty, compete with the refined rich of the U.S. and Europe for these tasteful items, which, with their small size, can grace a wall and also provide in their intricacy hidden charms, so Old Master drawings must become a specialist sector of great artistic and financial reward.

On Wednesday, Christie's is holding a good auction. It is not easy to make direct price comparisons because buyers are suspicious of drawings which *reappear within a decade, but* a drawing by Giovanni Tiepolo *of The Holy Family*, which sold at Christie's in 1972 for 6,000 guineas, now carries a confident estimate of £20,000-£30,000. This would be about par for the course.

But there are always discoveries to be made by the knowledgable. Sotheby's is selling 500 *Old Master drawings in* May in a "fast" sale, most with estimates well below £1,000. At its last such auction in October a drawing of a head, catalogued at French 17th century, was bought for £300 by a dealer who later identified it as the work of Pietro Testo, raising its value to around £8,000.

The fact that Old Master drawings can be bought so cheaply is of great appeal to first time collectors who want something of quality for decoration—and it gets them interested in the art form. At the end of Christie's main auction there are around 80 lots for sale, none with a top estimate of above £300.

Earlier, much higher prices will be paid. Drawings by Guercino, who sold for £95,000 in the Chatsworth sale, are on offer, with estimates up to £5,000 (the quality is not so good and they lack the Chatsworth pedigree). But they have great appeal and, like many drawings, have interesting histories. One of a putti, sold at Christie's in a Red Cross sale in 1915 for six guineas, *and among its previous* owners was Sir George Clausen, *the painter*.

Artists, especially British *artists*, have always appreciated Old Master drawings and studied them to effect. In Wednesday's sale there is a drawing of a youth by Il Parmigianino, estimated at £30,000 plus, which was in the collection of Sir Peter Lely. *Two Saints*, attributed to Tibaldi, once belonged *to* Reynolds, as did many other items. A nude, catalogued as Circle of Baccio Bandinelli, had two artists among its previous owners, Lankrink and Poynter. It carries a top estimate of £400.

Old Master drawings provide a great *artists' eye-view of pictures* but many have an immediate *appeal* in themselves, especially two of the finest drawings by Moreau le Jeune, which should make the top prices of £40,000 plus.

Others are best appreciated as signposts of the great traditions. *A river god* by Salvator Rosa is a sketch for a painting now in the Met, while the Getty has the modello. This drawing once belonged to Reynolds and sold at Christie's in 1860 for £1. Its top estimate is £1,000; its *historical fascination priceless*.

The experts can advise you—Noel Annesley of Christie's thinks French 18th century drawings are underpriced, and Julien Stock of Sotheby's favours Dutch. As always quality appreciates most. But there can be few sectors of the *art market which repay study* and enthusiasm as bountifully as Old Master drawings.

N'avez pas peur, Ma bonne Amie, by Moreau le Jeune

June Field looks at a caricature exhibition

Face to face with hidden truths

CARICATURES have never been fully considered a major part of the art market. As a consequence they are largely undervalued. As one critic said, not everyone wants to share their home with a *grotesque head*.

Even Gilbert's *Mikado* mourned that *he had to take* under his wing "A most unattractive old thing/with a caricatureof a face."

Caricature comes from the Italian *caricare*, to overload. Leonardo da Vinci interested himself in the grotesque but the real technique probably began with the 16th century painter Annibale Carraci, whose exag*gerated drawings of the most* striking features of a man were dubbed caricature. In the early 18th century, Pierre Leone Ghezzi became known for his animated sketches of large-nosed Roman merchants and clerics. (Lord Braybrooke's family collection of 152 Ghezzi caricatures *sold* at Sotheby's in December 1979).

Moving on *from* the later graphic satire of the British artists — Hogarth, Gillray, Rowlandson and Cruikshank — the most productive field comes from turn-of-the-century *Punch* contributors and on into the *1920's*.

Sir Max Beerbohm (1872-1956), *wit and dandy of the* Edwardian age, supreme parodist and caricaturist, produced more than 2,000 sketches providing an extraordinary portrait gallery of English life. He maintained that the whole man *must be melted* down, as in a crucible, and then fashioned anew.

"He must emerge with not one particle of him lost, yet not a particle of himself as it was before . . ." Beerbohm's method was "to see all his salient parts *exaggerated (parts of face, figure, port, gesture and vesture, and all his insignificant* parts proportionately diminished."

His ability to match appropriate captions to personalities is revealed in such 1913 vignettes as Lord Northcliffe urging colleagues to "Help! Again I feel the demons of Sensationalism rising in me. Hold Fast! Curb me, if you love me!"

H. M. Bateman brough burlesque to *Punch*, shocking more *conservative readers who pre*ferred their humour graceful and genteel. Yet his efforts were not mere superficial jokes at other people's expense. The renowned art teacher Percy Bradshaw acclaimed HMB's work as providing an insight into human nature, a sense of *dramatic* values and a completeness of vision.

The zany W. Heath Robinon was another perfectionist, who claimed there was a *secret satis*faction in being considered rather mad, a quality he played up in his eccentric illustrations. His wildly funny inventions were combined with an absurd combination of circumstances, *the stone-blindness of the per*sons involved in the humour of the situation, though this could be staring them in the face.

Collectors tend to opt for social rather than strong political satire. Caricatures of personalities and customs remain in fashion longer than comment on some ephemeral public event. Legal, medical and stage personalities are always in demand.

Beerbohm devotees will appreciate *The Mantle of Max*, *a charming exhibition of por*trait caricatures by his two protgees, Quiz and Kapp, at the Langton Gallery, Langton Street, SW10 until April 26. Powys Evans (1899-1982), was Quiz, while Kapp was Edmond Xavier Kapp (*1890-1978*).

Much of Kapp's work comes *from his widow Patsy*, while Quiz's is from a recent executor's sale at Sotheby's. Some works never seen before are from a friend in Wales.

Prices are from £150 to £750 for a 1920 Winston Churchill by Kapp, to £900 for a dapper Gordon Selfridge complete with *topper, watch chain* and *spats*, by Quiz.

Sure to be snapped up are a rare set of 10 lithographs by Kapp, 1924-25, of legal eagles such as Lord Chief Justice Baron Hewart, Mr Justice Avey, and *Viscount* Haldane, Lord Chancellor. Butterworths com*missioned them, and as many* as 15 lithographic stones were used for each portrait. The price for what is said to be the last full set works out at £250 each framed work.

Theatre buffs will go for the *drawings* of the actors in Nigel Playfair's 1921 production of *The Beggar's Opera at the* Lyric Theatre, Hammersmith, and one of Jacques Tati as the irrepressible M. Hulos, 1938.

BRIDGE

E P C COTTER

ANOTHER volume in the Master Bridge Series, *Positive Defence* by Terence Reese and *Julian* Pottage, has recently been published by Gollancz (hardback £7.95, paperback £4.95). Some of the hands are extremely difficult, but any reader, who is really *anxious* to improve his defensive play (and defence is the Achilles heel of us all) will find the book a most *instructive* and stimulating challenge.

Do not cheat by looking at the answers too soon. If you genuinely try to solve the problems, you will be forced to think, and this is what defence is all about.

Let us start with this deal, dealt by *North at a love score*:

N
♠ K 4 3
♡ K J 10
♢ K J 7 3
♣ J 7 2

W
♠ Q 9
♡ 7 5 4
♢ A 9 8 3 2
♣ Q 6 3

E
♠ J 6
♡ 8 3 2
♢ Q 10 6 4
♣ A K 10 4

S
♠ A 10 8 7 5 2
♡ A Q 9 6
♢ —
♣ 9 8 5

North opened the bidding with one no trump on his nasty 12-point, Ace-less wonder. South introduced a Stayman two clubs, and after the opener's response of two *diamonds*, jumped to four spades, which became the final *contract*. West led the club three, which you, sitting East, *won* with the King. What defence do you suggest?

From the bidding the declarer would appear to have six spades and four hearts. You do not know whether he has two or three clubs, but it must be safe to return a low club; because your partner would not lead fourth best from *four* small cards. West wins with the Queen, and returns another club, which you win with the Ace, and South follows suit. What is your next move?

Placing the declarer with a void in diamonds, you lead your last club, and you strike oil. Your partner turns up with the Queen and nine of trumps, which means that, *whatever de*clarer plays, your Knave will be promoted to winning rank, and defeat the contract. This was not too difficult—did you find the answer?

Now for a different problem —you are once again in the East seat:

N
♠ 7 6 4 3
♡ J 9 3
♢ Q 9
♣ A K J 2

W
♠ K Q 10
♡ 8 4
♢ K 6 2
♣ 10 7 5 4 3

E
♠ J 9 8 2
♡ Q 10 7
♢ A 10 8 3
♣ 8 6

S
♠ A 5
♡ A K 8 5 2
♢ J 7 5 4
♣ Q 9

South deals with North-South vulnerable and, playing five-card majors, bids one heart. North raises to three hearts, and South's four hearts concludes the auction. *West starts off with* the spade King, one which you drop the nine, declarer wins with the Ace, and plays Ace and King of trumps, your partner following both times. The declarer cashes his club Queen and dummy's King, on which West follows with the three and the four. Now the Ace of clubs is led from the table, what do you suggest? Do you ruff or discard? First of all, do you place West *with three clubs or* with four? If he has three, *declarer has four and is getting* no discard, so you place South with two.

The basic principle that you do not ruff with a master trump, when you have a chance to obtain the lead and draw two for one will save you from making a mistake. If you ruff, *South will throw a spade loser*, and lose just two more tricks. *He* will ruff one diamond and discard another. Bide your time —*let South throw a spade on* one club and a diamond on another. Why should you care? When you get in with the diamond Ace, you will draw a round of trumps with your Queen, and now your side will collect *one trick in trumps* and three in diamonds.

CHESS

LEONARD BARDEN

THE APPEARANCE of a 1985 volume, No 38, of the six-monthly journal *Chess Informant* (available from the British Isles distributor, Chess, Sutton Coldfield, B73 6AZ, West Mid*lands, at £13.23 post free*) shows how quickly new moves and new ideas are assessed and disseminated in a competitive international activity.

Informant's principal section consists of more than 800 games from the second half of 1984, arranged by openings and commented by a *panel of hundreds* of GMs and IMs (among them Miles, Nunn and Short). Judges vote on the best games and most *important* theoretical contributions in the previous volume; there are reports from the FIDE congress and the 1985 world ranking list. An improving player can test skill on selected middle games and endings, which are in general much harder than the usual run of puzzle finishes.

Chess Informant has had several *rivals over the years* but, as the first in its field, it has *been able to maintain a print* run of some 10,000 and, thus, a reasonably low sales price. Its commentaries consist of symbols, not words, which relate to a key explained in nine languages including Chinese and Arabic. Volume 38 is sufficiently up to date to include games from the final stages of the world title match in Moscow, *as well as a good selection from* the Salonica olympics.

Informant is as much a part of a tournament competitor's basic luggage as was *Modern Chess Openings* in years gone by when a single book was adequate for reference. But the name of the game now among sophisticates is to improve on *Informant* by spot*ting errors in the notes or new* variations that the editors omitted. One source for such hidden nuggets is the Pergamon journal *Tournament Chess*, published at £19 six times a year and edited by British GM Murray Chandler. Here, *the* games are arranged by event rather than by opening, and every important encounter is included—a useful arrangement for identifying the preferences and foibles of a new opponent.

This week's game is from *Informant 38:* Miles's energetic attack with no serious counter from his opponent demonstrates why most experts avoid the old-fashioned Queen's Gambit in practical play.

White: A. J. Miles. Black: O. Jakobsen (Denmark).

Opening: Queen's Gambit Declined (*Esbjerg 1984*).

1 P-Q4, P-Q4; 2 P-QB4, P-K3; *3 N-QB3*, B-K2; 4 PxP, PxP; 5 B-B4, N-KB3.

If 5 . . . P-QB3; 6 P-K3, B-KB4. White takes the initiative by 7 P-KN4.

6 P-K3, 0-0.

Here 6 . . . B-KB4 allows 7 Q-N3, P-QN3; 8 N-N5.

7 B-Q3, P-B3; 8 P-KR3, R-K1; 9 N-B3, QN-Q2; 10 Q-B2, N-B1; 11 P-KN4, B-K3; 12 0-0-0, R-B1.

White's *attack is already well* advanced, so Black should now *try P-QN4 and P-QR4-5 to open* lines quickly against the white *king. He prefers a counter with* pieces, but Miles sets up a series *of* direct threats.

13 K-N1, P-QN4; 14 N-N5, Q-N3? 15 B-K5, P-KR3.

If 15 . . . P-N3; 16 B4-5 is hard to meet.

16 NxB, NxN; 17 B-B5, N-Q2; 18 BxN, PxB; 19 Q-N6, NxB; 20PxN, B-R5?

A final, fatal error. If 20 . . . P-B4 *Miles had planned* 21 P-N5! RxP; 22 P-KR4, R-K2; 23 KR-N1, R-B1; 24 N-K4! PxN; 25 R-Q7 and wins, but 20 . . . R-N5! would keep Black in the game.

21 P-N5; PxP; 22 N-K4! R-K2. Again if PxN; 23 R-Q7 wins.

23 N-B6 ch, K-B1; 24 N-R7 ch, K-N1; 25 R-Q4! P-B4; 26 RxB, PxR; 27 R-N1, Q-B2.

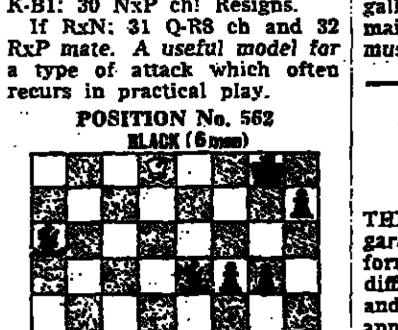
If 27 . . . R(K2)-QB2 to create a king escape, White wins neatly by 28 Q-R5, R-B2; 29 N-B6 ch, K-B1; 30 N-Q7 ch! RxN; 31 Q-R8 ch, K-K2; 32 RxP mate.

28 N-N5, 3(2)-K1; 29 Q-R7 ch, K-B1; 30 NxP ch! Resigns.

If RxN; 31 Q-R8 ch and 32 RxP *mate. A useful model for* a type of attack which often recurs in practical play.

POSITION No. 562

BLACK (6 men)

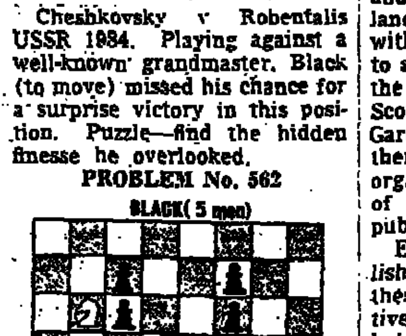


WHITE (6 men)

Cheshkovsky v Robentalis USSR 1984. Playing against a well-known grandmaster, Black (to move) missed his chance for a surprise victory in this position. Puzzle—find the hidden finesse he overlooked.

PROBLEM No. 562

BLACK (5 men)



WHITE (7 men)

White mates in three moves at latest, against any defence (*by J. T. Breuer, Basler Zeitung* 1979). Black, far behind on *material, is limited in his* resistance to two defences: PxN and K-Q3. So this problem ought to be easy, but its subtle key has proved a stiff test.

Solutions, Page 16

Where business is blooming

GARDENING

ARTHUR HELLYER

THE ANNUAL miracle of the *garden-openers has been per*formed again. Despite all the difficulties of weather, labour and finance, the lists have all appeared on time and are even fuller of Britain's best gardens opening between now and the *end of October*.

The five principal organising *bodies are the National Trust* and the National Trust for Scotland, which are concerned solely with opening their own gardens to sustain their own funds; and the National Gardens Scheme, Scotland's Gardens Scheme and Gardeners' Sunday, which do not themselves own any gardens but organise the opening for charity of several thousand, private, public and commercial.

Each organising body pub*lishes its own guide book and* these vary in degrees of attrac*tiveness; but all are equally* helpful in explaining where the *gardens are, when they are open* and how best to get to them by public transport or car. The notes about the gardens are inevitably brief, since even quite simple guide books cost a lot and charities must be frugal with their money. But many of the more famous gardens are *described* more fully in other books which, because *they are not renewed annually*, cannot be kept up to date with days and times of opening.

Personally, I would not be *Gardens of England and Wales Open to the Public* and is on sale now in most bookshops and many newsagents (price £1.00) or can be obtained from the charity headquarters 57, Lower Belgrave Street, London, SW1W 0LR for an additional 30p postage. *Scotland's Gardens* also can be bought in some booksellers or, direct from Scotland's Gardens Scheme, 31 Castle Terrace, Edinburgh, EH1 2EL for £1.20 including postage.

Gardens to Visit is the distinctive green guide book of The *Gardeners' Sunday organisation*. It costs 50p, at booksellers and other *on-site points of sale or* without any of these charity guide books, and I also take the commercial publication *Historic Houses, Castles and Gardens in Great Britain and Ireland* (ABC Historic Publications, £1.95, available at most bookshops) which extends the list to gardens that open for themselves alone plus gardens in Eire, some of which are extremely beautiful though rather widely scattered.

The best way to make sure of getting *National Trust Properties Open in 1985* is to join the Trust, but it can be bought at National Trust properties and also direct from NT headquarters at 36, Queen Anne's Gate, London, SW1H 9AS (price 40p, plus 30p postage).

The National Garden Scheme's guide is called 70p (including postage) direct *from the organiser*. White Witches Close, Glastonbury.

With these *excellent* guide books at hand, its usually easy to find gardens to visit within easy motoring distance, wherever you are. Many of them are open only for one or two afternoons each year and they provide an insight into British gardening quite different from *that obtained elsewhere*. A lot express personal ideas about *garden-making that are influ*enced little by the theories of professionals, and they *also* often contain plants that are seldom, if ever, seen in public gardens. I always feel that those who are completely ignorant of these places do not really know what British gardening is about.

Meanwhile, there is unexpected good news from Liverpool. More than 70 acres of the superb Merseyside site of last year's International Festival gardens are to remain open this year. The great Festival Hall will contain a Magic Garden designed especially for children.

Many of the gardens that were so much admired last year are now much more fully established and some special features, including the Yellow Submarine and the Blue Peter Dragon, have been moved to new sites. The gardens will be open seven days a week from May 23 to September 8 from 11 am to 7 pm.

FINANCIAL TIMES
BRACKEN HOUSE, CANNON STREET, LONDON EC4P 4BY
Telegrams: Finantimo, London PS4. Telex: 8954871
Telephone: 01-248 8000

Saturday April 6 1985

Blooming in a prompt spring

SPRING, which set in bang on cue a week ago when we moved the clocks on, is producing promising buds in all sorts of places. The Confederation of British Industry gets more optimistic by the month, we have at last seen a really modest rise in unemployment, and the Old Lady of Threadneedle Street has permitted herself a wan little smile in her latest economic review. Even the machine tool industry, that frostbitten stump from the great age of British manufacturing, is suddenly enjoying full order books—and so, to take another unlikely example, are many firms in the clothing industry. In the labour market, above all, it really does begin to look as if the miners' strike was the last replay of a stale old drama, as commonsense has broken out successively in the railways and the Post Office.

The tides of politics respond rather sluggishly to the pull of events, and for the moment it is Mr Neil Kinnock who is basking in a newly mild climate. Events have helped him, as unemployment has ground ahead, and the Government, even in its carefully drafted White Paper, has contrived to present itself as both helpless and complacent. However, Mr Kinnock has done much to help himself. Taking far more advantage of the defeat of militancy than the Government has yet been able to do, he is remoulding both his party and its policies.

His new, somewhat Fabian-Liberal approach to the economy, with its stress on co-ops—for Mr Kinnock is still a Welsh romantic—has yet to be unveiled. The changes in the party are visible to anyone who watches it sufficiently closely; a round of constituency reselections in which the moderates have so far sent the militants scurrying. Mr Kinnock is ahead in the opinion polls at the moment, and is leading what begins, after six years of chaos, to look as if it might be an electable party again.

Keynesianism

This revival has rattled the Government, as witness an honours list in which not a single Conservative Member of Parliament has been elevated, for fear of by-elections. Even for the Government's supporters, however, this is not necessarily bad news. Some of its over-simplified doctrines need to be re-examined, and as the Government strives to win back support from the political centre, this is beginning to happen.

The signs are already visible: the Budget was much less doctrinaire about public sector borrowing and much more explicit about the two targets which really matter—a steady, reliable growth of nominal demand, and a realistic exchange rate—than any previous version of the strategy. The prompt if modest cut in interest rates to check sterling's rise against the European currencies showed that this was no mere rhetoric.

The Chancellor's announcement that wage moderation would make it easier for him to stimulate the economy underlines the revolution. This is the Keynesianism of Lord Keynes—who was always aware, unlike some followers, that cost pressure could paralyse his proposed strategy. It has nothing at all to do with all-weather PSBR targeting. Wage moderation would cut revenue; yet the Chancellor now says, quite rightly, that he would cut taxes in response.

This new flexibility of approach has come none too soon, for the great uncertainty in this otherwise promising economic spring concerns something which the Government cannot control, but to which it must respond: the progress of the U.S. economy and, with it, of world trade. For the time being, President Reagan's luck seems to be holding; both the dollar and the U.S. domestic economy seem to be achieving what could prove a soft landing.

Nearly all the risks are on the downside, though—major banking trouble, a renewed international debt crisis sparked off in Brazil or Africa, or even something as simple as a sharp slowdown in U.S. consumer borrowing could make the going very rough.

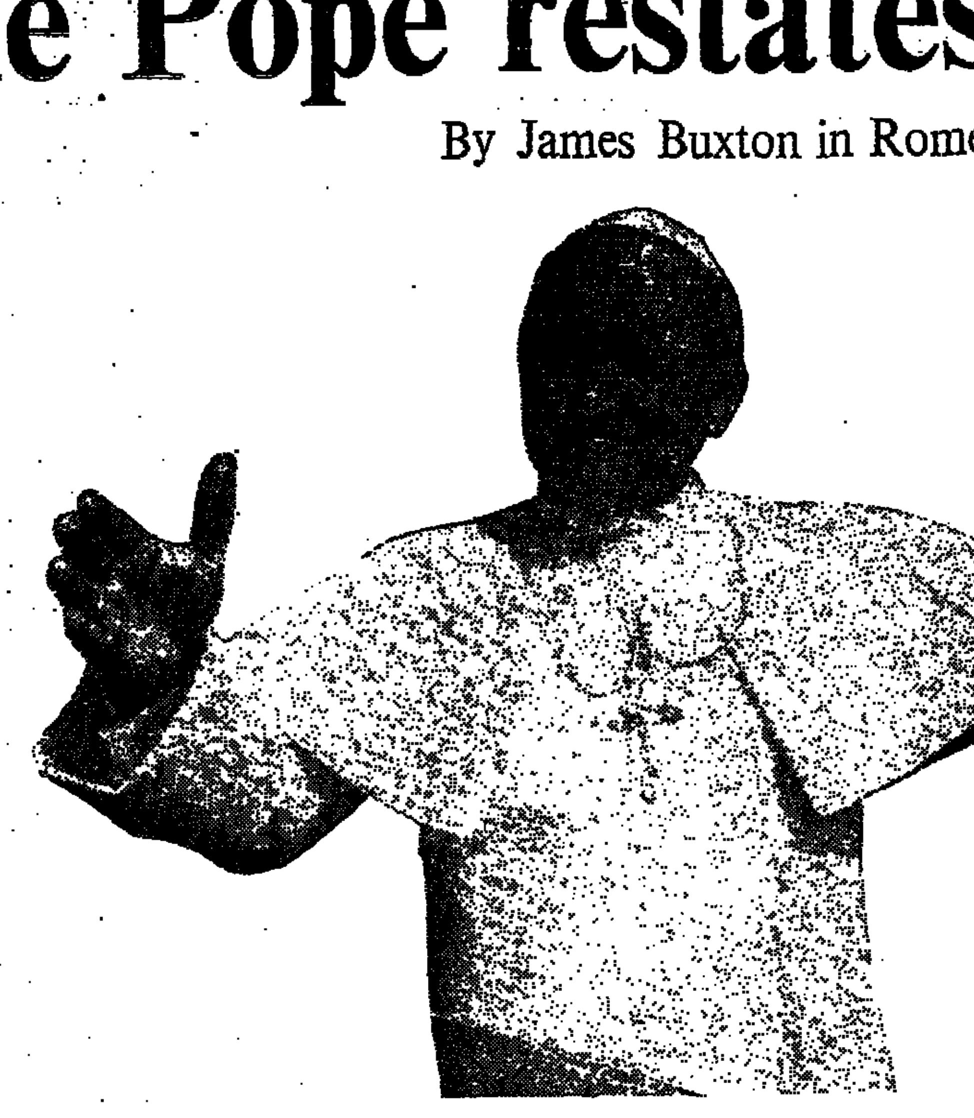
There is a growing feeling in Europe that the right strategy, faced with these risks, is to be tolerant about any temporary U.S. effort to insulate trade from an overvalued dollar, but to respond quite urgently to any general economic slowdown originating in the U.S. Some German officials are already talking of contingency plans to meet such a slowdown with a fiscal stimulus.

It is also worth dreaming, though, at this mild season, of how everything might go right, with modest but continued U.S. growth, the dollar correction that many American officials are quite openly encouraging, a tax reform encouraging lower interest rates, a consequent easing of the debt burden — in short, a slow unwinding of a decade of gross maladjustment. At home, faster growth with slower inflation, unemployment falling at last, and democratised trade unions enjoying the rewards of rational bargaining just like Germans or Swedes. A holiday dream, perhaps; but the point to hold on to is that it is by no means impossible.

THE ROMAN CATHOLIC CHURCH AT EASTER

The Pope restates the rules

By James Buxton in Rome



THIS EASTER, the hundreds of thousands of Catholics congregate in Rome for the most important feast of the Christian year, the thoughts of many of them will be on a different gathering in Rome.

It will not take place until late in the rainy month of November —when St Peter's Square is unlikely to be thronged with emotional crowds. Yet the extraordinary ten-day Synod of Bishops from all over the world which Pope John Paul II has convened for that time could be crucial to the future of the Catholic Church.

Displaying that spontaneity that is one of the hallmarks of his pontificate, the Pope announced the calling of the Synod quite unexpectedly while visiting the Basilica in Rome where, 26 years before to the day, Pope John XXIII declared the summoning of the second Vatican Council.

That Council set in train reforms that profoundly changed the Church and whose shockwaves are still reverberating. Pope John Paul's official aim for his relatively brief Synod is that it should "deepen the understanding" of Vatican Two "in the light of new needs." He portrays it as a kind of spiritual stock-taking.

Not everyone in the Church believes that the extraordinary Synod will necessarily decide very much. But there are many others who either fear or hope that it will be another landmark in what they see as the present Pope's drive to curb if not to roll back the tide of reform.

Any assessment of where the Church is going has to focus first on the extraordinary figure of Pope John Paul. A book written when he came to Britain at the height of the Falklands War in 1982 said of him: "Despite or perhaps because of his lack of army divisions the Pope is the one person who can be called a world leader. In an age of political pygmies he has taken over the moral leadership of the world . . . people have almost forced it on him. They sense his goodness and his selflessness."

Even now, in the seventh year of the Pope's reign, with a world television audience almost too familar with his apparently incessent journeys, dire warnings about nuclear holocaust and triumphant appearances in St Peter's Square, it is worth recalling the tremendous excitement of the early days of his pontificate. Indeed, it is hard to forget the enormous crowds on his first trip to Poland, his tremulous appeal while in Ireland to the IRA to cease their evil work, and the look of serene resignation on his face as he subsided under the bullets of the would-be assassin, Ali Mehmet Agca on May 13, 1981.

Through these and many other actions and words Pope John Paul has dramatically raised the stature of the Roman Catholic Church in the world and uplifted the spirits of the 700m Catholics after the unspectacular reign of Pope Paul VI.

"The first job of any Pope is to keep the ship of the Church afloat," says one observer of Vatican affairs in Rome. "This he has triumphantly done. Anything else he has done that one might not agree with is 98 per cent outweighed by this one fact."

The other basic fact of the Church today is Vatican Two, a gathering of 3,000 bishops which lasted from 1962 to 1965. Its aim was to break down the barriers between an apparently remote, authoritarian and perhaps anachronistic Church and a rapidly changing world that was in danger of leaving it behind.

Vatican Two swept away the 16th century Tridentine Mass said only in Latin and replaced it at a stroke with a modern liturgy almost entirely in the vernacular. Whereas the old form of service emphasised the holiness and separateness of the priest who usually had his back to the congregation, the new service entails closer contact between pastor and congregation. The priest now faces the people and they may even help him to distribute the bread and the wine.

In a significant diminution of the power of the Vatican, the Council also transferred authority for some decision-making from Rome to the bishops, although the Vatican still has the last say. The Synod of Bishops was established and, equally important, national conferences of bishops of individual countries were set up to adapt to local circumstances what Rome laid down.

The Council left many Catholics feeling heartened about their Church, and they found that it brought their faith and their lives into closer harmony. But others lamented the loss of the old liturgy, its universality and its doctrinal certainties.

The French Archbishop Marcel Lefebvre was only the most famous of those who refused to abandon the Tridentine Mass. As one English lay Catholic says today: "Before Vatican Two I had never understood the pre-occupation of Anglicans with High Church and Low Church. Now we have exactly the same thing in the Catholic Church, as well as priests who preach banning the bomb from the pulpit. And unlike the Anglicans we were not even allowed to choose whether we wanted Series 3 or not."

But what no one disputes, is that in much of the Catholic world things have not gone well for the church since Vatican Two. Church attendances have fallen, baptisms have gone down, fewer priests have come forward for ordination and the number of those wishing to convert to Catholicism is declining. It should be said, however, that in the last year or two the first signs of a revival have emerged, with more Catholics going to church and more coming forward for ordination.

Pope John Paul participated in Vatican Two. "It is a pillar of reference for everything he does," they say in the Vatican. Yet he comes from a country, Poland, where an immensely popular and devout Catholic Church has been little changed by the Council's decisions, and where no one has ever lived under anything but an authoritarian system of government.

> The fear is that if parts of Vatican Two are abandoned, the Church may be weaker as a force in the world

The Pope, viewing both the parlous state of the world and the uncertain state of the Church, feels the need at least to state what the rules are—an attitude that his critics call authoritarianism or dogmatism. He appears to be in no doubt about the authority that God has given him, and has a strong personality and the gift of multilingual eloquence to go with it.

So Pope John Paul has clamped down on erring theologians, whether in Europe—for example, Dr Hans Kung of Tubingen University—or in Latin America. Father Leonordo Boff of Brazil was recently censured by the Vatican's Congregation for the Doctrine of the Faith, the successor to the Inquisition, for aspects of his "liberation theology" where Marxist ideas mingle with Catholicism. The Pope has taken a tough line with priests who became directly involved in politics—whether in Nicaragua or the U.S.

He has also preached repeatedly on the virtues of family life, and far from deviating from the encyclical *Humane Vitae* of Pope Paul VI that banned all but natural methods of contraception, has emphasised that for couples to make love without the aim of having a baby is to deny God's purposes and so to deny God.

Last autumn he allowed in certain circumstances the restoration of the Tridentine Mass—but only for priests who make their peace with their bishops first.

Those in the Church who consider themselves "liberals" say that all this amounts to a relentless campaign by Pope John Paul to cancel many of the advances of Vatican Two.

Many "liberals" have now become very cautious in what they say or do, fearing punishment from a powerful pontiff.

They believe that if the Pope succeeds in abandoning major parts of Vatican Two, the Church will be left weaker than before, that whole national congregations will feel alienated from Rome, and that the potential of the Catholic Church to be a major force in the world will be weakened. On the specific question of birth control (not part of Vatican Two) they believe the Church can but suffer from the fact that perhaps a majority of its members simply disobey the Pope's teachings, while other Catholics suffer by obeying them.

"I know a woman in Naples," says a priest in Rome, "who says she does not practise contraception but instead has an abortion every year. That way she has to confess a sin only once a year."

Yet has the Pope really embarked on such a concerted campaign as the liberals suppose—and if he has, will he succeed? Not all bishops appointed by the Pope are conservatives—Archbishop Martini of Milan, for example, is a notable liberal. Despite the power of his personality and the strength of his convictions, the Pope has had difficulty in shifting the views of his bishops in South America where Catholics make up a higher proportion of the population than anywhere else in the world.

Three cardinals from Brazil accompanied Father Boff when he was summoned to Rome last autumn to explain himself—even though they are most unlikely to have agreed with everything he said. "When the Pope visits South America the bishops usually get him to say in public what they want him to say, rather than what he might have liked," says a close observer of the scene.

According to this view the Pope does not have either the desire or the means to make such a thorough-going reversal of the Church's position. "This is not a programmatic papacy," says one observer in Rome. Paul VI began his reign with an encyclical outlining his plans. None of Pope John Paul's three encyclicals could be described as programmatic." He sees Pope John Paul's pontificate as being a little haphazard, guided by sudden flashes of insight and emotion rather than doggedly following a single plan.

The Pope may not have the machinery to implement any such design. He is not considered a good administrator and the Vatican is said to suffer from his frequent absences abroad and on travels round Italy, and from the lack of one strong and eager administrator. Some people believe that his quarrel at the beginning of the decade with the 26,000 Jesuits, on whom for a time he imposed a temporary head of his own choosing, has deprived him of the support of what might have been a powerful force in the field, especially in South America.

The Church therefore approaches the extraordinary Synod with deep divisions over what it should be doing and where it should be going, under a populist Pope who commands admiration but less than total support. Can these divisions be resolved in a meeting of bishops, or might it make them yet more intractible? Will the Pope win acceptance for a "redefining of the roles of bishops and clergy" as the Vatican's neutral phraseology puts it?

The Church, it likes to remind one, is not a man-made institution and gatherings of this sort have in the past produced unpredicted consequences. And, as a priest said recently, "under this Pope the unusual has become the usual."

Letters to the Editor

Building for the 20th century

From the President of the Royal Institute of British Architects

Sir,—It is ironic that the most dynamic financial newspaper in the world has an architectural correspondent with such reactionary views.

The niceties of architectural style and the relative merits of the surge of commercial development in the 19th century and the similar surge of the 1960-70s are of little interest to international bankers, brokers and insurance companies looking for the kind of new office accommodation they are accustomed to elsewhere in the world.

The 19th century made no bones about the kind of buildings they wanted for their business enterprises and in so doing destroyed much of 18th century London. It is a fact of history that a high proportion of each generation's building is replaced by succeeding generations seeking new and (to them) more suitable accommodation.

Nobody today is going to sanction the destruction of the very best architectural and historic treasures but there is no merit, and actual economic harm, in retaining unsuitable undistinguished buildings for no reason other than they already exist.

The executives of Lloyd's of London travelled the world to decide on the kind of accommodation they needed for the 21st century. They then combed the world for an architect who could realise their demands, and the new Lloyd's Building by Richard Rogers is now nearing completion.

Whether Mr Amery likes it or not, he has to accept that this is what the customer wants. Constructive comments on this kind of architecture which current trading demands in the 20th century (overseas as well as here) would be more useful and appropriate to the readers of the Financial Times than mawkish ramblings about the Dickens, which is no longer what today's workers creating national prosperity require.

Michael Manser,
RIBA, 66 Portland Place, London, W1.

Was Karl Marx a water baby?

From Mr P. R. Grotrian

Sir,—On reading Anthony Robinson's "Man in the News" article on Saturday March 30th, I am asking myself if it is worth trying to save Karl Marx from the sort of fate that has overtaken King Canute. Karl Marx did indeed proclaim that religion was the opium of the people, and he said it in a pejorative fashion. It is not surprising that he made no acknowledgement to the originator of the dictum, who was a C of E clergyman, the Rev Charles Kingsley, who used the expression to show that religion had a beneficial effect.

Gobbling up opium in those days did not appear to be so ill regarded as it is, in some circles, nowadays. It is nice to think that Karl Marx and Charles Kingsley must have had quite a lot in common. Among other things, Kingsley was a social reformer and is perhaps best remembered as the author of The Water Babies' and Karl Marx must surely have approved of quite a lot of this.

Paul R. Grotrian,
Aldens Copse, Godalming, Surrey.

Why not fly Humberside

From the Chairman, Airport and Estates Committee, Humberside County Council

Sir,—While fully supporting the fine initiative taken by your paper in bringing out a special supplement under the heading "Regional Airports and Air Services" March 25, I must, however, register my disappointment upon discovering that Humberside Airport was almost completely ignored. Considering the fact that, last year we were able to record over airport—a figure which has doubled in the space of some two to four years—this leaves something to be desired.

The county council's Airport and Estates Committee is determined to maximise the considerable development opportunities arising from the investment currently taking place at oil and gas projects in the North Sea. We are also to offer an expanding range of scheduled services, and only last Friday evening saw the successful launch of the airport's entry into the mass holiday market, with the first ever jet flight direct to Majorca.

We are also pleased to state that our very real enthusiasm for the airport's future is share by the EEC. A variety of projects undertaken at the airport have received grant assistance through the mechanism of the European Regional Development Fund. Every indication we have leads us to believe that such funding and support will continue.

In line with most of the airports located in the regions, the county council takes the very clear view—uniting both political parties at County Hall—that the future prosperity of Humberside is fundamentally bound up with the development and consolidation of Humberside Airport.

(Councillor) David Spooner,
County Hall, Beverley, North Humberside.

Tackle the rates at their roots

From Major Henry Haydon

Sir, — The speculation in the most interesting article (March 23) "Government may limit business rates rises," by your Political Editor, prompts me to make three important points Minister of Local Government at a Conservative Party meeting that "at present, the local rates burden falls on too few shoulders, while accountability to the electorate is very thin, especially in inner cities," gives one cause to hope that the Government will, at long last, tackle the rates problem at its roots, instead of merely trying to attack one of its symptoms as does rate-capping.

Second, if the Government does decide to institute a different form of local tax for local residents from that paid by businesses, it need not—as your Political Editor suggests, if the business rate is not fixed nationally — freeze the level of business rates.

The fairer and, I suggest, more realistic procedure would be to fix for each local authority a mandatory ratio between its total revenue from business rates and that from non-business rates, based on the ratio existing at the date when the present domestic rates system ceased to exist. (Incidentally, where did Peter Riddell get the figure of 40 per cent as the percentage of total rate income currently derived from businesses? The figure usually quoted is as high as 55 per cent.)

Finally, unless another and much more equitable form of local taxation than the present domestic property tax is proposed as a result of the Government's investigation, and a general revaluation of properties has to take place in England and Wales, then the reported anger of Scottish Tories "over the impact of the recently announced rating revaluation north of the border" will be as nothing compared with the consequential explosion on the part of their English and Welsh colleagues tem — to allow for local government electors to express their opinions of their local councillors annually instead of only once every four years — will be of no avail if the opinion of those who bear the bulk of local taxation is stil lto be largely negatived by the votes of nonratepayers who under the present local taxation system make no effective local contribution towards the cost of the local government services of which they are the principal users — representation without taxation!

Why, if, like domestic ratepayers, these non-ratepayers now pay income tax on their taxable incomes at national level, should they not in all fairness also pay a local tax at local level? This is surely the most relevant question for the Prime Minister personally to have asked her environmental ministerial team at its meeting at Chequers on Saturday, March 31.

Henry Haydon.
Chairman, National Union of Ratepayers Associations.
116, Sandy Lane South, Wallington, Surrey.

Tinkering with Capital Gains Tax

From Mr L. T. S. Littman

Sir.—The Chancellor has galloped to the hedge but refused to take the jump. He has tinkered with Capital Gains Tax by simply allowing indexation from 1982 onwards, a period in which inflation rose about 18 per cent, but has done nothing for the period from 1965 to 1982 when inflation is estimated to have been 800 per cent.

Not only is this a totally unjust and punitive tax, but it must have the effect of locking up assets worth billions of pounds which might otherwise find their way into the productive sectors of the economy, reduce bank lending, and thereby the interest rate.

What is the sense of one Minister asking for increased foreign investments in this country, when the Chancellor has it in his power, by the stroke of a pen, to provide all industry from our own population.

What also is the sense of complaining about high mortgage interest rate and bank rate, and increased lending, when the Chancellor could, by the same stroke of a pen, reduce this considerably.

He still has time to amend the Finance Bill in this direction and one must hope that he can summon the courage and good sense to do so.

L. T. S. Littman.
74, Addison Park, Kensington, London W14.

A money GDP target

From Mr W. Grey

Sir.—Professor James Meade's support for the idea of a money GDP target (March 27) was hedged about with so many qualifications as to make it seem, to one observer at least, practically worthless. What, including the package of reforms, is there that a money GDP target can do if in fact it can ever be turned into a reliable guide — which cannot perfectly well be done without it?

Even Government acceptance of a basic obligation to keep money spending on a steady course and prevent it from erring in either direction — which appears to enthuse Prof Meade, and the Chancellor himself, most — is, besides being easier said that done, neither all that new nor dependent on the adoption of a money GDP target.

Nor is any target better than none, or a given money GDP target, however steadfastly pursued, necessarily the right one. Nor, again, is it easier to steer the economy on a money GDP course than any other; for reasons given, the exact opposite could be the case.

Finally, even if a money GDP target were necessary, or preferable to any other, it would, again on Sir James's own plea, be nowhere capable of doing the job single-handed. What, for example, could it have done to avert, or cope with, the latest sterling "crisis"?

W. Grey.
12 Arden Road, Finchley.

French politics: the PR row

Rocard's gift to the right

By Paul Betts in Paris

PRESIDENT François Mitterrand's decision to change the French voting system could not have produced a more spectacular "coup de théâtre." But it is too early to say whether it wil bring down the curtain prematurely on his presidency.

If the original design was to switch from a majority voting system to proportional representation (PR) to undermine the right-wing opposition and save the Socialists from a potentially humiliating defeat in next year's parliamentary elections, the immediate result has been to provoke a split in the Socialist Party.

Even M Mitterrand must have been taken aback by the sudden and unexpected resignation of M Michel Rocard, the Socialist agricultural minister who for years has consistently topped public opinion polls as the most popular political figure in France. M Rocard announced his resignation to M Mitterrand by telephone in the middle of the night after the government had announced on Wednesday the broad guidelines of the new PR voting system.

M Rocard: an explosion of bottled-up frustrations

There has long been a stormy and complex relationship between the two men. M Mitterrand has never forgiven M Rocard for putting himself forward in October 1980 as the Socialist Party's presidential candidate.

M Rocard, who has always sought to project himself as a modern social democrat, has in the past week accused M Mitterrand of political "archaism." Last week, at a meeting of the party's directorate he expressed his opposition to the PR project, arguing it was a defeatist approach on the part of the Socialists and would seriously debilitate the French political system by bringing back the instability of the IV Republic.

But despite his hostility to PR, M Rocard had been expected to toe, once again, the Mitterrand line. As a result, the immediate reaction of many Socialists was one of shock and anger.

The opposition cannot believe its luck. M Rocard has made them a golden gift just as the neo-Gaullist RPR and the Centrist UDF are mounting a major campaign to try to block a project they fear will rob them of a clear-cut victory in next year's general election and maintain President Mitterrand in the Elysée until 1988.

Mr Rocard has now given the opposition new hope that they can perhaps outmanoeuvre M Mitterrand after all. Theoretically, the 60 "Rocardian" deputies could tilt the balance against the Government in the National Assembly when the new electoral reform is debated in Parliament in coming weeks. *In their wildest dreams*, the Right, with the exception of the *extreme Right National Front* which has everything to gain *from the new system, is hoping* that the "Rocardian" deputies will now follow their 54-year-old leader.

But it is most unlikely that M Rocard's followers will lead such a revolt. M Rocard's resignation is motivated as much by political principles as by personal ambitions. Indeed, many Socialists have not hesitated to accuse M Rocard of abandoning ship to position himself as a potential presidential candidate in 1988.

It is no secret that M Rocard has been nuturing hopes of standing in the 1988 presidential elections. But after the *fiasco* of 1980, *he chose to play* the silent role of the competent technocrat first as planning minister and then at agriculture and wait *his turn* to make his political comeback. But M Mitterand *and his many opponents* in the party have not stopped *making life difficult for him.* Last summer, M Rocard had *hoped to be given the job of* finance minister in recompense *for his good behavior. To make* matters worse, President Mitterand *appointed* as France's youngest prime minister M Laurent Fabius, who mirrors in many respects M Rocard's image of economic common sense and moderation, political modernism and a new youthful social democratic look.

M Rocard's bottled up frustrations were ready to explode. It must have been especially enfuriating to see M Fabius rise steadily in the opinion polls and finally, this week, overtake M Rocard as France's most popular political figure in the eyes of the public. The PR issue was probably the last chance for M Rocard to set himself free in time to give him a chance for the 1988 presidential stakes. M Rocard could hope to run as the left's alternative to M Raymond Barre, the former prime minister, on the right.

M Barre has successfully placed himself above the traditional opposition parties giving *himself* an image of a man of principle and setting himself up as a leading contender for the presidency in 1988. But whether M Rocard can be as successful on the left remains to be seen.

M Rocard's resignation is *deeply embarrassing for the* Socialists but it would be pre*mature to say it will disrupt* in a catastrophic way President *Mitterrand's wily political cal*culations. Despite the screams *of scandal from the right.* M Mitterrand can argue strongly *that he always intended to* introduce a dose of PR — it *was part of the Socialist elec*tion manifesto in 1981 — and that the PR system is more equitable, democratic and representative of the country.

The decision is also consistent with the overall evolution in M Mitterrand's policies and thinking. During the past 12 months he has pressed forward with his gradual shift from the left to the centre. Even before the government reshuffle last *summer and the departure of* the Communists from government, the shift had already begun in economic and industrial policy. *After* the heady days of nationalisation and expansion, M Mitterrand switched to the doctrines of M Rocard of economic rigour

The process of political *recentring began in earnest* with the appointment of M *Fabius as* prime minister last July. The process will now be rounded off with the change in the voting system which will place the Socialists in a good position to play the pivotal role in a new centrist coalition. The new system is also likely to accelerate the electoral decline of the Communists.

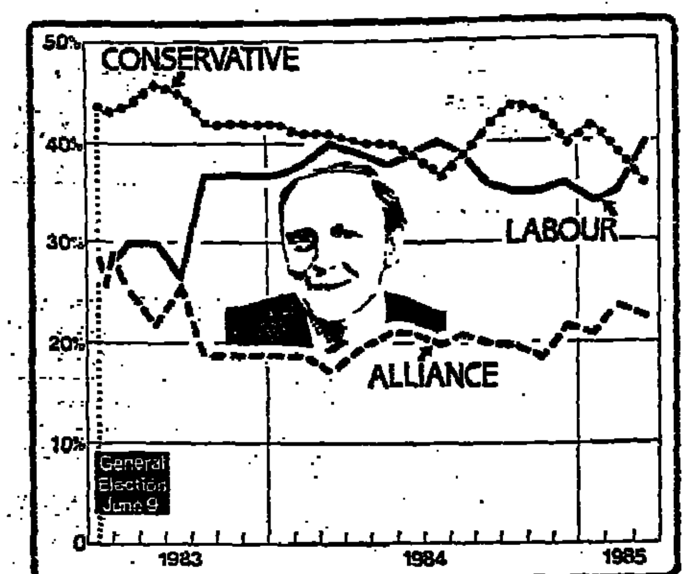
M Mitterrand is nonetheless taking a big if calculated *gamble.* By changing the voting system, M Mitterrand has given *himself a fighting chance to stop* the opposition winning a clear *majority in the 1986 parliament*ary elections and threatening *his place at the Elysee. More*over, PR will probably reinforce his own position as President by weakening the National Assembly. It will also give him time to complete the grooming of M Fabius as the preferred Socialist candidate for the 1988 presidential elections.

But the opposition could still gain an *overall majority, albeit* smaller than it might otherwise have hoped.

President Mitterrand is calcu*lating that the fuss over the* electoral reform and M Rocard *will die down well before the* parliamentary elections in 12 months time. Moreover, it will not be the first time the system has been changed. De Gaulle introduced PR in 1945 and then in 1958 brought in the present majority voting system.

Indeed, since universal suffrage was first established in France 137 years ago, there have been as many as 12 major *electoral reforms.* Thirteen could be M Mitterrand's lucky or *unlucky number.*

UK politics: an open race



Graham Lever

Labour comes back to life

By Peter Riddell, Political Editor

THE LABOUR PARTY is back in the race for power for the first time for over four years. That is now the firm belief of Mr Neil Kinnock and his colleagues.

Naturally, plenty of hurdles still have to be overcome but the latest batch of opinion polls *suggest that a Labour Government is no longer an impossibility after the next General* Election, even if it still remains *an improbability.*

Yet the current optimism of the Labour leadership comes only a month after the defeat of the miners' strike which was seen by many on the hard Left as the greatest industrial struggle this century and the means of rolling back Thatcherism.

But in the wake of the miners' collapse, the last month has seen the isolation of the hard left, an isolation exacerbated by bitter divisions within some Labour-controlled local councils about how far to defy the Government's ratecapping legislation.

All this is sweet music to the parliamentary leadership. Indeed, judging by recent speeches by members of the Shadow Cabinet, it is almost as if the miners' strike was just a bad dream which can be quickly forgotten.

The end of the strike and the absence of much open recrimination has coincided with internal party developments favourable to the leadership. In particular, the supporters of the Trotskyite *Militant* sect have suffered a number of unexpected reverses *in local parties.* The first wave of reselections of MPs has also been *smoother* than earlier exaggerated fears suggested, though a few members have announced their retirement a few years early to avoid possible rejection.

The main reason for the new confidence has been the opinion polls. *Three surveys* in the past fortnight have put Labour ahead of the Tories. An average of the five most recently conducted polls puts Labour at 38 per cent, compared with the Tories at 35½ per cent and the Alliance at 24¾ per cent. This represents a four-point gain by Labour since early February.

Conservative support started to slip last November. The initial beneficiaries were the Alliance whose support is now *three to four points higher than* last autumn. Labour has *advanced only in the past two* months, probably because of the *absence of the strike.* The Market and Opinion Research International survey which confirms the Labour gains (see chart) in last Tuesday's London's Evening Standard showed a sharp drop in the number of voters citing trade unions and strikes as one of the most important issues facing Britain and increased worry about unemployment, prices and law and order.

Moreover, a detailed breakdown shows that Labour improved its position among the crucial groups of trade unionists, 18 to 24-year-olds and skilled worker C2s, among whom it did so badly in 1983.

The result has been to create almost a virtuous circle of success and optimism in *Labour* ranks at Westminster. While attendance to support the leadership in major debates, and *later in division lobbies, is often* poor, the Shadow Cabinet has *some effective debaters* who put ministers on the defensive. *There is* also now *none* of the apparent tension which developed earlier this year between Mr Kinnock and Mr Hattersley when Labour failed fully to exploit the sterling crisis in January. Mr Kinnock is now clearly in the *driving seat* in both the Shadow Cabinet and the national executive committee.

But just as Labour was written off too easily in the past, so its continuing problems can be too easily underplayed now. For instance, both Mr Peter Shore and Mr Michael Cocks, the long-serving Chief Whip, are likely to *face, close-run reselection* battles. Moreover, there are the *series of trade union ballots* over the existence of political funds, and hence support for Labour. Despite the hostility to *such funds* shown by polls, a combination of low turnout and the Government's unpopularity could mean that only a few, mainly white-collar, unions vote against their continuation.

A problem of reconciliation remains within the party. The hard-Left may be isolated but they have not given up the fight. There could therefore be trouble at the party conference in October over rate-capping and over the desire of some *inner city parties* to set up separate black sections. Jibs *about* "Ramsay MacKinnock" and a Wilsonian approach indicate a gap with *some party* members which Mr Kinnock *may have to bridge.*

There has been a shift in the emphasis of policy. The approach set out in the Jobs and Industry Campaign launched last Tuesday was deliberately cautious resting on the view that in 1983 voters did not believe Labour's promise to slash unemployment. Now the stress is on winning credibility by avoiding ambitious commitments and wholesale nationalisation proposals and, instead, by talking about wealth creation, an industrial strategy to revive manufacturing, and a speedy acceptance of new technology.

This rhetoric is too much like Harold Wilson's "white heat of technology" speech of 1963 *for some activists* who want to hear more references to the *class battle.*

A major question mark remains over the place of counter-inflation or incomes policy in an expansionary strategy. Mr Roy Hattersley, the "shadow" Chancellor and a supporter of incomes policy, has said that unions will know that restraint of money wage increases is the way to reduce unemployment. But unless commitments here are made firmer, this could be a weak spot for Labour. A similar electoral embarrassment may be the pledge to remove all U.S. nuclear bases from Britain as part of a non-nuclear strategy, despite the promise to remain within Nato and to expand conventional defences.

The final qualifications to Labour's optimism is that at this stage of a parliament the main *opposition party is normally far* further ahead of the Govern*ment. In 1971-72* and in 1980-81, before the formation of the SDP, Labour was up to the 50 per cent level. The snag for Labour is the continued existence of the Alliance with around a quarter of the electorate and nearly a third of the vote in local council by-elections. Moreover, the Alliance stands to be the main gainer in the forthcoming shire country elections on May 2, partly because Labour did very well when these seats were last con*tested in 1981* when the SDP had only just been launched. *And the Labour strongholds of* the big industrial cities and *London are not being fought* this year.

The Alliance is, on paper, more of a threat to the Tories, where it is second in many parliamentary seats in the Home Counties and the south, rather than to Labour. But the Alliance may take sufficient votes and seats (even only 50 or so) to prevent Labour from gaining the 117 seats it needs for a bare Commons majority.

So, while the Labour leadership may be justified in claiming that British politics is now an open race again, Dr David Owen, the Social Democrat leader, may also have been right to argue, in his Thames television interview on Thursday, that it is a three-horse race and will be so right up to the finishing post.

Weekend Brief

Round pegs, square hole

THERE'S nothing special about a town planner treading *warily* to avoid controversy. But when it comes to Warsaw's Victory Square then the city's chief architect *becomes more* than usually defensive.

Few places in Europe harbour so many troublesome ghosts and the square, even today, seems to symbolise Poland's unsolved political problems.

The square achieved international notoriety a *couple of* years ago when the authorities decided it needed *refurbishing* and pulled up the surface. The decision was precipitated by a group of people who insisted on placing a massive floral cross in the centre.

The cross commemorated the victims of *marital law* and the banning of Solidarity. Each *time it was* cleared away, it reappeared. People assume that the desultory work being carried on behind a tatty grey fence will continue until the authorities are sure the cross won't come back. Given the present mood, that could still be some time away. Mr Zdzislaw Kostrzewa, the city's chief architect, says it will be another two years before the square reopens.

He is talking about the surface; *of course*, but more long range plans are afoot to rebuild a *couple* of historic buildings blown up by the Germans at the end of the occupation. Which is a pity because one of these, the Saxon Palace, was inhabited in the 18th century by King Augustus III of Poland and Saxony and the other, the roccoco Bruhl Palace, by his chief minister, Heinrich von Bruhl. By a strange coincidence, the latter's direct descendant, Count Dietrich von Bruhl, is at present the Number Two at the West German embassy in Warsaw. He says he is delighted that the house might be rebuilt.

But the authorities are not mulling over whether to incur the expense of further reconstruction to underline past links with the Germans. The impulse to rebuild the Saxon Palace comes from the Polish military which has come to play an important role in Polish Communist politics and would like to leave a monument should they ever have to fade back to barracks. The idea is to put the national military museum inside the Saxon Palace.

Polish generals remember that before the war the building housed the Ministry of Military Affairs, inevitably associated with Marshal Joseph Pilsudski, the pre-war leader and the victor in the 1920 war with the Red Army. Inside one wing, young Polish mathematicians cracked the German Enigma codes.

"The idea is to return the square to its military traditions," Mr Kostrzewa says.

That tradition goes back further to the 1820s, when Poland enjoyed a limited autonomy and the then regent Constantine, the Russian Tsar's brother, devoted much time to colourful parades of the infantry and cavalry dressed in their post-Napoleonic uniforms.

A few years later the same troops revolted. The regent, unable to make up his mind where his loyalties belonged, vacillated and then fled the city. The rising succumbed to superior Russian force a few months later.

To underline its dominance, the Tsarist regime towards the end of the century built a massive Russian Orthodox church in the middle of the square. It towered over the city —quite as much as the present Palace of Culture donated to Warsaw by Joseph Stalin.

But a few years after independence came to Poland in 1918, the Russian Orthodox church was demolished. Its foundations remain, however, under the square where, to cap it all, Pope John Paul II spoke to tens of thousands on his first papal visit to Poland in 1979 and the Catholic primate Cardinal Stefan Wyszynski's funeral mass took place two years later.

The foundations provide Mr Kostrzewa with another headache. He sees the need to put an underground car park beneath the square. They're in the way.

Round one to the flexi disc

IF it were not for the computer revolution they would probably be called floppy discs. They have been around for a long time—Private Eye used them for its funny giveaway records starting back in the 1960s and they have been in the vanguard of mail order campaigns and all kinds of promotional stunts from Warrington New Town ("Warrington needs Warehousing") to Butlin's ("with Blazing Billy and the Butlin's Boogie Band").

They are certainly floppy, but the name for them in the trade is "flexi." A "flexi" looks from the front like a conventional 7in single, but on the flip side *it is as smooth* as a flattened out saucer and from the side it is *impossible to see* without narrowing the eyes. When the wind blows it *wobbles.*

They have even turned up on the bottom of cakes. The biggest ever order manufactured by Sound for Industry (175 Bermondsey Street, London, SE1) was a figure impossible to match in the normal record industry: 13m copies. These discs, about the size of a commemorative crown coin, were attached to the bottom of a brand of cake sold in Spain, *where they may* or may not have improved the taste.

Where the flexible version does not turn up is in the record shops. Sound for Industry once manufactured a Jonathan King ditty entitled The Sun Has Got His Hat On. A record of the Pope, uttering a blessing for his visit to Britain, was stamped out by Flexi Records (Unit 1, Maritime Industrial Estate, Horizon Way, *London SE7*). The same company, acting for once as publisher as well as manufacturer, produced a record of the legendary Charles and Di engagement interview.

These three flexible discs were sold to the public, but they *failed to cause a revolution in* the trade Restrictive practices *are rumoured*; certainly, with a flexi version costing about a *fifth of its stiff cousin* in terms of manufacture, there are vested *interests at stake.*

So the floppy discs are sold, if at all, as part of a package, attached, for example, to a Teach Yourself the Irish Tin Whistle bumper bundle. *Often* they are given away, to remind anyone who forgot the TV ad for "Helpfull Gas People," or to sing the praises of McCain's Deep 'n Delicious Pizzas, to quote a couple which would be unlikely to reach the Top Twenty on their own unaided *merits.*

Any collector stumbling across an item entitled *Putrid Evil*, in which a group called Septic Death performs a number called "Poison Mask" (or possibly it is *Poison Mark* performing "Septic Death") might imagine that is is Sound for Industry's most bizarre job. He would be wrong.

Pride of place in that hit parade goes to a little number which Robert Maxwell presented to employees of his BPCC when he changed the logo. Startled workers were able to watch their boss's photograph (arms outstretched as if measuring a fish which got away—*The Observer*, perhaps) revolving at 33 rpm, while his deeply ominous tones grunted on about "the keys to future expansion." In all it makes for the world's longest three minutes.

Banzai! And TV was invented

WE CANNOT, of course, ask *John Logie Baird* what he thinks of the present state of *his brainchild, television*, because he has been dead for 39 years. But *there is* a man alive today who also invented a tele*vision in 1926*, just a few months after Baird displayed his prototypes in what is now Bianchi's restaurant in Soho, and who is still very much going strong, tinkering with the innards of the box and happily discoursing freely on times past and present.

In fact, as far as every Japanese is concerned, the father of television is not Baird or Zworykin, the Russian emigré, or any of the other legitimate contenders for the honour. He is Kenjiro Takayanagi who, on Christmas Day 1926 succeeded in transmitting on to a screen the Japanese *katakana* character, which is pronounced "ee" and looks rather like a lopsided capital "T." Moreover, whereas the Baird invention was purely mechanical, Takayanagi's used *an electronic device—the Braun* tube—and thus, to cut a com*plex technological argument* short, can be said to be more *of a direct ancestor* to what television subsequently became.

Today, Takayanagi is a fit and nimble 86 years old; his golf clubs, stacked just off the front hall of his pleasant house overlooking the sea — and, on a clear day, Mount Fuji — in the town of *Zushi, 40 miles* west of Tokyo, bear signs of frequent use. With *122 patents* to his name, he still considers *himself above all an inventor* and a television man. First *a professor, he, had been put* in charge of televising the *Tokyo Olympics of 1940; which* never took place; after the war, he went to *work for Japan Vic*tor, now JVC, the consumer *electronics firm, from which he* finally retired a few years ago.

Most of his early machines and records were destroyed in the war, but he *was able to* preserve enough notebooks and photographs; *in any case, his* memory shows no signs of failing. *A purist to the last, he* speaks in conversation only of "television," never *using the* common Japanese world "terebi," or TV.

His views on the television of today fall roughly into two parts. Technically, he insists it is still not what it might be. He is disappointed that it remains only two-dimensional and believes the quality of picture indifferent (he has a theory that different nationalities see colours differently). "It only serves our minimum requirements today," he argues.

This leads on to his second contention — "that television should be our servant, not our master." He does not believe, for example, in *State-owned* broadcasting systems: "People, using their own wisdom, should be able to make the best use of *it by themselves.*" He says he always has held this view, recalling that back in *1924* he wrote an article envisaging that every household in Japan would have a television — colour, too — *that would serve as* "a human eye" travelling round the world. *Even in those days*, he looked forward to the idea of tuning into *Davis Cup tennis* from Paris or London.

But he is also very obviously proud of television. "I always believed, from the beginning, that television would be a mainstream of electronics — and it has been: witness the computer, which was derived from the pulse of television, and the electronic microscope, and so on."

As a Japanese, Takayanagi *does not necessarily feel that* his countrymen lack, as they are sometimes said to, the spirit of invention. "In the old days, maybe one genius working on his own might come up with something totally new, but even then you had to put a lot of effort into being so lucky. Now, in this information age, there is no chance really of being first. We need a collective approach, of several people — with the right scientific background, of course — co-operating to one end." Which is, of course, something at which the Japanese are supremely good.

But a visitor to the Takayanagi home is struck by the fact that his living room boasts a lot of stereo equipment, but no television. "An eyebrow is raised: "actually, I have a couple upstairs."

Contributors:
Christopher Bobinski
Jonathan Sale
Jurek Martin

UK COMPANY NEWS

Alexander Nicoll looks at Saatchi & Saatchi's changing image

The base for an expanding network

Saatchi and Saatchi did not need the haunting strains of the Flower Duet from Delibes' opera Lakme—which accompany its British Airways' advertisements—to help its rights issue off the ground on Thursday.

The £99m issue of convertible preference shares, though closely following last November's £80m placing of ordinary shares, caused barely a blip in Saatchi's share price.

The sub-underwriting was completed by 11.30 am, with institutions apparently eager to take Saatchi paper offering 6.3 per cent income in contrast to the traditionally low-yielding ordinary shares.

The City, it seems, has not been deterred by Saatchi's hectic run of acquisitions, which have taken it far beyond the realms of advertising and into a more loosely defined role as a provider of business services on a global basis.

Saatchi, initially made famous by its campaign for the Conservative Party, rocketed to be the largest advertising agency in the UK. It includes, Saatchi and Saatchi Compton Dorland, and various agencies grouped into Crawford Hall Harrison Cowley. With large U.S. interests and links with agencies in most other countries, it claims to be the world's fifth largest advertising agency.

Growth in this field is continuing. The London agency is celebrating £15m worth of new business from MacDonalds and Great Universal Stores. And there have been small acquisitions in the past year: the regional UK group Harrison Cowley, Cochrane Chase Livingston in California, and Hedger Mitchell Stark in London.

The thrust of its advertising growth has been the global marketing of brand names. Its extravagantly-produced three-part annual report, just published, asserts: "The most advanced manufacturers are recognising that there are probably more social differences between midtown Manhattan and the Bronx, two sectors of the same city, than between midtown Manhattan and the 7th Arrondissement of Paris."

Saatchi cites other worldwide factors as responsible for this trend: the decline of the nuclear family, the changing role of women, higher living standards in the industrialised world and, perhaps most importantly, television—politely referred to as "cultural convergence."

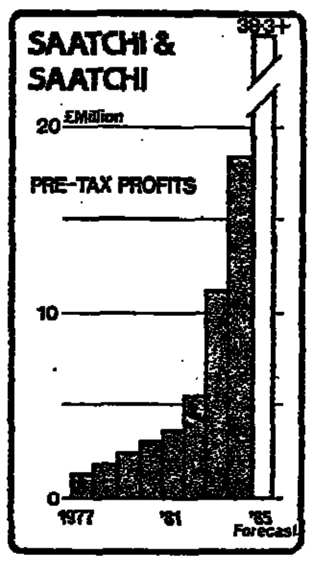
Advertising is a highly fragmented market—Saatchi reckons that it has about 1 per cent of the world market and 7 per cent of the UK market. This would suggest further growth potential. But only relatively few companies have the ability or need to market their products on a global scale.

The company therefore sought to offer a broader range of services to companies, both domestically in individual countries and working across borders. The result has been a bewildering flurry of acquisitions which, it says, have taken it into all the market areas it wishes to penetrate but represent merely the base for future growth into a larger worldwide network of business services.

● Management consultancy. The U.S.-based Hay Group, acquired last year for about US$100m (£83m), has 94 offices in 27 countries. The field includes advice on pay structures, improving efficiency, and careers as well as management selection and recruitment.

● Marketing services. These include direct marketing (Kleid, a New York company bought last year for $15m); sales promotion (Howard Marlboro, for which an agreement was announced on Thursday), public relations (Rowland, a New York firm bought last month), and design and corporate identity (Siegel and Gale, announced Thursday). Saatchi has also bought Infocom, a UK organiser of corporate conferences and audio-visual presentations.

● Market research. Saatchi moved into this field last October with the purchase of two U.S. companies, Yankelovich Skelly & White and McBer and Co.



Mr Maurice Saatchi, the recently-appointed chairman

Such rapid growth inevitably raises eyebrows in the City, which has witnessed equally rapid declines of former stock market favourites. Can Saatchi effectively manage so many new companies in fields where it has little or no experience? What happens to the acquired companies — which have few assets except their staff — when the "earn-outs" have expired? Most of the purchase prices are based on the acquired companies' profits for the next few years, thus providing strong near-term incentive to perform.

There must also be questions about possible conflicts between the client lists of group companies, and whether they can effectively work together to provide integrated packages of services to corporate clients.

More fundamentally, the global market for some of Saatchi's business services remains untested. So is its ability to cure a subsidiary which runs into problems.

Saatchi has expanded its central financial executive staff by about 50 per cent since the latest round of acquisitions began and has strengthened reporting systems. Subsidiaries, however, maintain a large degree of autonomy.

Given that autonomy, the relationships between group companies are still in the melting pot as they delicately test out the potential for co-operation.

Saatchi says it has not so far lost a single client from any group company as a result of an acquisition. But this perhaps demonstrates their independence from each other rather than their ability to work together.

One Saatchi executive says: "Saatchi as a whole is informally getting together. The units are still autonomous, but bridges are being built on specific pieces of business. The bulk of our working together so far has been on leads and introductions to clients."

Amidst its extraordinary growth — Saatchi aims to generate a minimum 20 per cent increase in earnings per share each year excluding acquisitions — the company is not losing its reputation for innovation.

On Thursday, Mr Maurice Saatchi, just appointed chairman, was brandishing a copy of the French magazine Le Point. In it was the Charlie Chaplin ad for IBM. If you touched the computer keyboard, it played a tune.

Enterprise has 4.7% stake in Tricentrol

By Ian Hargreaves

THE HOLDER of the mysterious 4.7 per cent stake in Tricentrol, the UK independent oil company which has been the source of much recent bid speculation, has been identified as Enterprise Oil.

Stockbrokers James Capel informed Tricentrol on Thursday that the 4.7 per cent holding passed to them by jobbers Ackroyd and Smithers is benficially held by Enterprise.

Enterprise denied that the move indicated any hostile intent. "There are no plans for an imminent bid," it said. The company said it would not release an official statement, since it refused to comment on market rumours.

Tricentrol's shares, however, rose by 15p to 250p. Enterprise has frequently spoken of its reluctance to enter a bidding war in pursuit of the expansion it has planning ever since its creation by Government, but it may well be interested in an alliance with Tricentrol.

Mr Graham Hearne, Enterprise's chief executive, was chief executive of Tricentrol between 1981 and 1983.

Berisford moves into U.S. precious metals with £28m purchase

BY LIONEL BARBER

S. & W. Berisford, the sugar processor and commodity trader, yesterday announced a $33m (£27.6m) acquisition to expand into precious metals and bullion trading in the U.S.

The UK group is buying NGI International Precious Metals, a New York-based trader, which has close connections with the U.S. gold market.

"This acquisition gives us more expertise in an area where we very much hope to grow in future," said Mr Harry Wiltshire, a main board director at Berisford.

Berisford trades in precious metals through its subsidiary Rayner, but the business is minimal compared to its mainstream activities in soft commodities such as sugar and cocoa.

Market reaction appeared generally favourable with Berisford's shares down 3p on the day to 161p. One broker said the acquisition apepared to match Berisford's efforts to create a triangle of commodity businesses: broking, merchandising and processing. "This appears to be a good fit."

Berisford is buying NGI through its U.S. subsidiary, Erlanger Minerals and Metals. NGI is forecasting $4.1m in the year to June, with $7m for the following 12 months. NGI's net assets are valued at not less than $10m.

There are tax advantages in using Erlanger as the vehicle for the acquisition. Two years ago, the Berisford was forced to close Erlanger Tubular Works in the U.S. at a cost of £23.5m below the line. Berisford's U.S. operations are now grouped under Erlanger and NGI's profits can be offset against Erlanger's accumulated losses, Mr Wiltshire said.

Last January, Berisford reported pre-tax profits for 1984 up from £55m to £50m on £5.7bn turnover. But Mr Ephraim Margulies, the chairman, warned shareholders last month that group profits for this year would fall, with the first half to be worse than the second half, though an upturn in international trading could alter the picture.

Mr Margulies has been appointed chairman of NGI and Mr Howard Zuckerman, an associate director of Berisford, has also joined the NGI board.

Leyland Paint planning to merge with Kalon

THE TROUBLED manufacturer of decorative paints, Leyland Paint and Wallpaper, is to merge with the more successful private paint and chemicals manufacturer Kalon.

No financial details have been disclosed, but the merged company will seek a stock market quotation. Leyland's shares have been suspended at 34p

In the first half of 1984, Leyland made pre-tax profits of £343,000, after two years of losses. In the 1984 year, Kalon made around £2.75m pre-tax on sales of £58m.

About two-thirds of Kalon's turnover consists of paint, with two-thirds of paint sales consisting of own-label manufacture for retailers such as B and Q and the CWS. The rest is sold under the Homecharm brand. The remainder of Kalon's sales comprise general chemicals and polymers, plus £2m of turnover in own-label wallpaper.

Mr Leslie Silver, Kalon's chairman, is to head the enlarged group, and Mr James McDonald, managing director of Leyland, will become deputy chairman. Mr Gerry Thomas, Leyland's chairman, will continue as a non-executive director of the new company.

Mr Silver is a well-known figure in the UK paint industry, and his company claims a 16 per cent share of the UK retail market for decorative paints.

Although a issue of shares is likely to be involved—perhaps through a placing—Mr Siver stressed that Kalon itself was not in need of any capital.

He said: "It may well be that I or members of my family may find it convenient to realise some of our investment. In any event, the family is likely to retain a controlling stake in the merged company."

KCA Drilling N. Sea link-up

By Ian Hargreaves

KCA Drilling, the independent UK oil drilling and engineering company, has joined forces with the Motherwell Bridge engineering group to form a service company for North Sea platforms and other offshore hardware.

Rigwrights will use land bases owned by the two companies at Aberdeen, Leith and Lerwick in the Shetland Islands to offer maintenance, repair and refurbishment of drilling rigs; topside structures (equipment placed on the drilling platform) and such drilling equipment as blow-out preventers and cranes.

Rigwrights also hopes to win a share of the growing North Sea business of hooking up newly installed drilling units. The company will also seek work modifying drilling rigs and production platforms, which is also expected to be a growth business as the emphasis in the North Sea switches to smaller, less profitable fields.

Both companies see the repair and maintenance sector of the North Sea as a major opportunity, but say they also intend to develop Rigwrights in overseas markets.

Motherwell Bridge is a privately-owned engineering group with about 3,000 employees.

MJI seeks to abandon sale as Leigh bids

THE BOARD of MJI Corporation, which six weeks ago agreed to sell its waste disposal division for £5.77m cash, now wants to abandon this deal and accept a £4.3m all-paper takeover bid for the entire group from Leigh Interests, an industrial waste disposal contractor.

MJI—an industrial investment company formally known as Maurice James Industries — announced in February that it had agreed in principle to sell its waste disposal division to Shanks and McEwan, a private, Glasgow-based civil engineering and construction concern.

Since then, the company has received an offer from Leigh which MJI and its financial advisers, Samuel Montague, said represented a more attractive alternative for shareholders.

Mr Martyn Meade, MJI chairman, added that a takeover by Leigh would have a beneficial longer term effect on both companies. It would also allow the large proportion of MJI shareholders who had been arttracted by the company's waste disposal interests to remain with this sector.

Leigh, which is advised by Kleinwort, Benson, is offering one of its ordinary shares for every five MJI. On the basis of Thursday's Leigh closing price of 96p, down 1p on the day, each MJI share is valued at 19.2p. MJI shares closed on Thursday at 17½p, up 2½p on the day.

Leigh, which has staged a substantial profits turnaround under the chairmanship of Mr Bill Pybus, estimates that it made pre-tax profits of £1m in the year to March 31, nearly double the £560,000 of 1984. It is proposing a final dividend of 2p, making a total for the year of 3p—up some 50 per cent on 1984.

Giving reasons for the offer, it said MJI's waste disposal division operated in areas geographically complimentary to Leigh's existing operations and would provide an excellent opportunity for Leigh to improve its position as an important waste disposal operator in the Midlands.

The take-over is conditional on MJI shareholders voting at an extra-ordinary general meeting on May 17 against a resolution permitting the sale of the waste disposal business to Shanks.

New venture losses hit Ash & Lacy

IT WAS a tough 1984 for Ash & Lacy, maker of perforated metal and steel cladding, and galvanizers. Profits before tax fell from £3.41m to £2.87m on turnover up over £5m at £32.61m.

Mr J. F. Vernon, the chairman, says the disappointing outcome is largely the result of initial operating losses incurred by the group's two new ventures—Western Galvanizers of Hereford, which lost £142,000, and the Flospan product, where the deficit was £250,000.

Of the four established businesses, three did better than last year, with only Joseph Ash & Son showing a downturn in trading profits.

The directors are to hold the dividend at 20p net per share for the year with an unchanged 12p final. Earnings per share fell from 56.3p to 32.9p after a £433,000 higher tax charge of £1.49m.

The chairman reiterates that it will take a "few more months" before Western Galvanizers completes the loss-making contracts to which it was committed at the time of purchase in January last year.

The launch and start-up of the Flospan frameless building has also been costly. The order position is now improving, says the chairman, and he hopes to achieve a break-even position by the den of 1985.

Stockley at £88,000

In its first year of incorporation, Stockley, the property group which this week bought the bulk of European Ferries' UK property interests in a deal valued at £61.4m, made £88,000 pre-tax.

The purchase from European Ferries gave the cross-channel ferry company a 29.9 per cent voting stake in Stockley. It also gave Stockley a cash-generating source while it awaits revenue from its major undertaking, the 1.5m sq ft science park near Heathrow Airport which could cost around £200m.

There is no dividend for the year to November 30, 1984.

Centreway hit by Servis provision

A PROVISION of £312,000 relating to the receivership of Servis Manufacturing last month reduced pre-tax profits of Centreway Industries to £58,000 for the year to December 31, 1984.

The final dividend is being omitted, leaving shareholders with 0.1p net for the 12 months. For the preceding nine months 1.8p was paid from profits of £275,000.

The directors say that given the recent depletion in reserves every effort must be made to replenish shareholders' funds "at as fast a rate as practicable."

Accordingly, they have resolved that following payment of the preference dividend due on April 1 no further distributions will be made to preference or ordinary shareholders in 1985. A statement concerning dividends will be made with the next interim announcement in September.

They believe that the priority in the coming year is the reduction of the group's level of borrowings, of which the sale last November of the assets and associated leases of Centreway Leasing was the first step.

Certain other assets have been identified which are surplus to the group's key trading activities and these will be disposed of when a suitable opportunity arises.

Prospects for Centreway's key trading subsidiary are "encouraging" and the directors believe that a "satisfactory" trading result will be achieved by the group for the current year.

Their strategy is to move the company's core investment base from component manufacturing and vehicle distribution towards areas offering greater certainty of long-term growth.

Petrolex defence comes under attack from Clyde

Clyde Petroleum, which is making an £11.7m contested takeover bid for fellow independent oil company Petrolex, has attacked as "grossly misleading" the 141p a share valuation put forward by Petrolex in its defence document.

Clyde's cash offer is worth 75p a share. Petrolex shares closed unchanged on Thursday night at 78p.

Clyde said that Petrolex had placed great emphasis on a report from ERC, Energy Resource Consultants, but it was "quite unrealistic" to place reliance on this in appraising the real value of the shares.

It said £15.5m was a totally unrealistic market value to place on Petrolex's interests in the Forties field, very little value could be attributed to £3m of explorations prospects and reserves, and there was a considerable risk that £5.2m of technical reserves would never be converted into commercial reserves.

Clyde added that Petrolex's valuation took account of exploration expenditure which could not be funded without the injection of further capital.

But last night Mr Jim Lindars, managing director of Petrolex, described Clyde's comments as "weak." He said "Our argument is not that market value should equal appraised value, but that the discount should not be as large as the 47 per cent implied by Clyde's offer."

SUMMARY OF THE WEEK'S COMPANY NEWS

Take-over bids and mergers

Sedgwick, the largest independent insurance broking concern in the UK, and Fred S. James, part of the U.S. combine Transamerica Corporation, have agreed to merge. The deal, to be effected via the issue of Sedgwick paper, will give Transamerica a 39 per cent holding in the combined group, but only 29 per cent of the voting capital.

Allied Textile, the Huddersfield-based manufacturer of worsted suiting cloths and carpet yarn supplier, has dismissed a takeover approach from London and Midland Industrials, which launched its bid following the purchase of a 13.3 per cent stake.

Williams Holdings increased its offer for J. & H. B. Jackson and gained approval.

Banro has rejected an increased and final offer from C. H. Industrials. The offer values Banro at around £6.4m.

C. D. Bramall has revised and slightly reduced terms for Manor National.

Company bid for	Value of bid per share**	Market price**	Price before bid	Value of bid £m's**	Bidder
Prices in pence unless otherwise indicated.					
Allied Textile	535	505	430	44.12	London & Midlnd
ASR Hldgs	450	445	365	9.00	Minet Intl
Banro Inds	116§§	111	66	6.34	CH Industries
Bonusbond	32§	30	23	1.12	Promotions Hse
Booker McConnell	261§ §§	248	259	326.17	Dee Corp
Brown (Matthew)	445§ §§	445	323	100.48	Scot & Newcastle
Dunlop	23	66	31	33.08	BTR
E of Scot Onshre¶	¶¶	85	66	¶¶	Ind Fin & Inv Co
Energy Services	87½	92	84	32.94	Peck Hldgs
Foster Bros	220‡§	218	228	103.28	Sears Hldgs
Haden	240*	300	232	37.18	Trafalgar House
House of Fraser	400*§	396	346	430.92	Al Fayed Inv & Trust (UK)
Hurst (Charles)	200*§	185	190	4.32	Garvagh Secs
Imed Business Sys	40*	40	40	5.40	Weelaborator Intl
Ingall	80*	87	73	7.30	Gt Midland Co-op
Initial	538§ §§	524	533	170.81	BET
Jackson J. & H. R.	120	117	84	28.47	Williams Hldgs
Lake & Elliot	80†	80	65‡	7.95	Suter
Manor National	11‡§§	10	13	2.00	Bramall (C. D.)
Martin (R. P.)	450*	440	420	43.65	Quadrex
MJI Corp	19	17½	15	4.25	Leigh Interests
Petrolex	75*	78	50	11.71	Clyde Petroleum
Routledge & Kegan Paul	407§§	380	253	4.64	Assoc Book
Seccombe, Mrshll	440*	435	320	7.04	Citicorp
Times Veneer	20*	54	49	1.41	C.D.I. Hldgs
TMG Group	125‡†	115	75	1.67	Smurfit (J.)
Tootal	72½*§	72	63	128.46	Entrad Corp
Trident Computer	81½	75	70	2.04	Park Place
UBM	189§§	185	159††	111.59	Norcros
Waring & Gillow	160*	147	155	24.96	Hopecastle

* All cash offer. † Cash alternative. ‡ Partial bid. § For capital not already held. ¶ Unconditional. ** Based on April 5, 1985. †† At suspension. §§ Shares and cash. ¶¶ Related to NAV to be

PRELIMINARY RESULTS

Company	Half-year to	Pre-tax profit (£000)		Interim dividends* per share (p)			
AB Ports	Dec	6,400L	(14,500)	—	(23.9)	8.5	(8.5)
Aidcom Intl	Dec	1,600	(567)	3.6	(1.8)	1.0	(0.8)
Allida Hldgs	Dec	1,250	(886)	16.8	(13.3)	2.75	(—)
AMEC	Dec	27,100	(26,100)	29.6	(27.9)	11.0	(10.0)
Arcolectric	Dec	227	(137)	3.1	(1.4)	0.65	(0.4)
Arncliffe Hldgs	Oct	38L	(400)	—	(6.9)	0.1	(3.66)
Auto Sec Hldgs	Dec	6,260	(4,400)	10.8	(8.2)	1.24	(1.03)
Banro Hldgs	Dec	806	(512)	—	(—)	4.3	(3.3)
Berk. & Hay Hill	Dec	192L	(307)L	—	(—)	—	(—)
Beaufort Group	Dec	710	(558)	11.9	(10.4)	4.5	(4.0)
Blockleys	Dec	1,570	(1,010)	69.9	(39.1)	21.0	(15.5)
Bodycote Intl	Dec	1,760	(1,020)	14.2	(8.6)	4.5	(3.5)
Brammer	Dec	10,170	(6,870)	20.4	(13.3)	7.75	(6.2)
Bree & Cloud Hill	Jan	1,100	(1,590)	10.7	(13.6)	8.9	(8.5)
BSG	Dec	4,210	(3,272)	1.0	(1.0)	1.0	(1.0)
Christies	Dec	17,230	(9,740)	38.5	(21.5)	11.0	(8.5)
Clay, Richard	Dec	1,290	(1,110)	8.5	(7.7)	3.75	(3.5)
Cookson	Dec	55,800	(21,700)	76.6	(26.5)	12.5	(10.2)
Earlys of Witney	Feb	151	(34)	92.0	(0.2)	1.15	(1.15)
Eastern Produce	Dec	21,810	(11,170)	97.8	(47.8)	10.0	(6.5)
Empire Store	Jan	3,090	(1,130)	6.0	(5.1)	2.5	(1.25)
Evered Hldgs	Dec	3,440	(609)	12.2	(6.5)	2.3	(0.5)
Garton Eng	Dec	457	(286)	9.8	(6.7)	3.0	(2.5)
Glynwed Intl	Dec	26,500	(21,200)	—	(—)	9.25	(7.85)
GRE	Dec	92,200	(122,100)	—	(—)	26.0	(23.0)
Higgs & Hill	Dec	7,190	(6,060)	42.6	(44.3)	7.8	(7.0)
Hyman (I. & J.)	Dec	1,620	(891)	4.2	(3.4)	1.5	(0.5)
Ibs Johnson	Dec	12,420	(6,210)	26.1	(14.1)	8.0	(5.5)
Ind Scot Energy	Dec	3,730	(131)L	22.8	(—)	—	(—)
Jacobs, John I.	Dec	1,300	(919)	3.8	(2.6)	3.3	(2.9)
Lambert Howarth	Dec	1,570	(1,319)	23.0	(18.6)	5.75	(3.54)*
Laird Group	Dec	24,120	(21,080)	20.7	(17.3)	5.5	(5.0)
Lasmo	Dec	113,000	(90,000)	—	(—)	7.7	(7.0)
Lorlin Elect	Dec	812	(567)	9.8	(5.9)	1.5	(0.75)
Linread	Dec	71	(595)L†	—	(—)	1.5	(0.1)
Magnolia	Dec	64	(641)	7.0	(11.5)	2.6	(2.5)
Oilfield Ins Serv	Dec	353	(1,330)	2.3	(12.4)	1.0	(2.65)
Martin (Albert)	Dec	1,120	(715)	9.0	(4.4)	3.0	(2.25)
Morrison (Wm)	Dec	11,730	(9,990)	13.8	(12.7)	—	(—)
Newarthill	Oct	16,360	(16,810)	65.4	(61.7)	11.0	(10.0)
Pearson	Dec	99,400	(77,400)	57.8	(45.1)	17.0	(14.0)
Petrolex	Dec	2,540	(1,220)L	3.5	(—)	—	(—)
Planet Group	Dec	918	(1,750)	—	(6.4)	2.75	(2.75)
Portals	Dec	17,550	(16,604)	45.0	(50.6)	18.5	(17.25)
Porter Chadburn	Dec	105L	(157)L	—	(—)	—	(0.35)
Pritchard	Dec	15,020	(12,770)	9.8	(9.0)	3.8	(3.5)
Queens Moat	Dec	6,580	(4,476)	4.0	(2.9)	1.33	(0.8)
Relyon Group	Dec	2,080	(2,077)	13.0	(9.3)	4.45	(4.04)
Robinson, T.	Dec	507	(697)L	6.7	(—)	—	(—)
Rotaflex	Dec	1,000	(1,020)	15.2	(17.3)	9.0	(8.0)
Senior Eng	Dec	2,870	(2,160)	2.2	(2.1)	1.5	(1.5)
Silk Lubricants	Dec	2,700	(1,850)	11.0	(8.4)	4.5	(3.2)
Slough Ests	Dec	34,690	(20,190)	10.2	(7.6)	4.8	(4.0)
Sov Oil & Gas	Dec	18,170	(3,370)	28.3	(9.3)	—	(—)
Spirax Services	Dec	14,220	(10,990)	—	(—)	6.8	(5.7)
Squirrel Horn	Dec	284L	(128)L	—	(—)	—	(0.75)
Stag	Dec						
Sun Alliance	Dec	47,600	(97,100)	20.8	(23.3)	15.5	(14.0)
Sutherland, E. T.	Dec	1,490	(1,580)	5.8	(6.7)	3.33	(—)
TV Services	Dec	520	(340)	6.2	(3.5)	1.0	(0.5)
Telfos Hldgs	Dec	714	(451)	9.1	(6.5)	1.54	(0.97)
Thurgar Bardex	Dec	159	(25)L	0.9	(—)	0.2	(—)
Vectis Stone	Dec	862	(1,030)	3.7	(4.3)	2.2	(—)
Waverley Cam	Dec	1	(120)	—	(—)	3.75	(3.75)
Weir Group	Dec	6,850	(4,940)	5.6	(3.6)	2.5	(2.12)

INTERIM STATEMENTS

Company	Year to	Pre-tax profit (£000)		Earnings* per share (p)	Dividends* per share (p)	
AB Electronic	Dec	3,420	(2,040)	2.0	(1.5)	
Beckman (A)	Dec	754	(735)	1.95	(1.95)	
Brit Sec Group	Dec	222	(—)	0.5	(—)	
Halstead, James	Dec	1,280	(762)	1.5	(1.25)	
Logica	Dec	15,840	(13,230)	3.0	(2.475)	
Pearce, C. H.	Nov	1,350	(1,340)	1.75	(1.5)	
Photo-Me Intl	Oct	3,200	(2,207)	3.15	(3.15)	
Ramus Hldgs	Dec	217	(256)	1.5	(1.25)	
Regentcrest	Oct	115	(41)L	—	(—)	
TSW-TV	Jan	836	(978)	—	(—)	
Walker & Homer	Jan	302	(293)	0.2	(—)	
West & Cnty Prop	Oct	163	(275)	3.0	(2.75)	
Wilson	Dec	15,840	(13,230)	3.0	(2.475)	

(Figures in parentheses are for the corresponding period.)

* Dividends are shown net pence per share except where otherwise indicated. † For 17 months to the end of 1983. ‡ For 14 months. § Equivalent after allowing for scrip issue. L Loss.

Offers for sale, placings and introductions

Scott Greenham—Offer for sale of 7.4m shares at 110p per share.
Mercury—£37m placing at 575p per share.

Scrip Issues

Ibstock Johnson—One for one.

Morrison,W.—One for one.

Photo-Me International—One for six.

Spirax Sarco—One for 2.

Tyzack Turner—Offering shareholders scrip in place of cash in respect of the interim dividend, not a one for four scrip issue as reported last week.

Watts Blake Bearne & Co—One for five.

Rights Issue

Aaronson Bros—To raise £5.5m through a one for four rights issue at 32p per share.

LASMO—To raise £67.3m through a one for four rights issue at 285p per share.

Newman Industries—To raise £8.2m through a one for three rights issue at 26p per share.

Queens Moat Houses—To raise £25m through a rights issue on the basis of one £1 7 per cent conv cumm red pref share for every seven shares held.

Second Market Investment Co—To raise £6.4m through a two for

Sparrow dives over £1m

SHARPLY HIGHER losses by its UK crane hire and heavy lift contracting activities and lower returns from Saudi Arabia drove 1984 profits of G. W. Sparrow and Sons down by over £1m.

The final dividend is being cut by 1p to 0.25p leaving shareholders with 0.75p for the year, compared with 1.75p previously.

Turnover pushed ahead from £27.86m to £30.02m, but at the pre-tax level profits tumbled from £1.35m to £234,000.

Depreciation, net interest charges, staff and other operating costs all took more and the share of profits of related companies fell from £941,000 to £97,000.

A divisional breakdown of pre-tax results shows crane hire and heavy lift contracting UK £1.26m loss (£127,000 loss) and overseas division and related companies £97,000 profit (£704,000 profit), equipment sales and fixed asset disposals £649,000 profit (£77,000 profit) and offshore industrial services £841,000 profit (£622,000 profit). Plant hire costs accounted for £42,000 (nil).

The directors say the results weer disappointing but not unexpected. They have made moves to correct the situation in crane hire and are confident of better results in 1985.

Tootal profit forecast criticised

Entrad, the Australian textile and clothing group which is bidding £128.5m for Tootal, the UK threads and textiles concern, has criticised Tootal for making a profits forecast for 1985-86.

Mr Rod Hartley, Entrad's managing director, said: "Tootal is so uncertain of its profit forecast that it is now trying to excuse its existance by claiming that we asked for one. In fact we never asked for one — this one should not have been made. A forecast for the whole year, based essentially on one month's management accounts, cannot be given any credence."

"Tootal will be stretched to meet its over-ambitious dividend forecast which will surely jeopardise the promised investment programme," he added.

On March 28 — eight weeks into the current financial year—Tootal said it would make a pre-tax profit of at least £27m in the year ending January 1986 compared with £22.85m last time.

Tootal responded that its dividend forecast would not stretch its financial resources and said its profit forecast had been drawn up in December, before the Entrad bid, and it had not been revised upwards in the light of the bid.

COMPANY NEWS IN BRIEF

Trafalgar House has extended its £37m cash bid for Haden, the mechanical and electrical engineering company, until April 18, having picked up only 0.08 per cent of Haden shares by the first closing date of its offer. Trafalgar already held a 4.99 per cent stake.

Trafalgar is offering 240p for each Haden ordinary share, but the Haden price has remained well above that, closing unchanged on Thursday night at 300p.

* * *

The offer for sale for Wayne Kerr, the electronic test equipment company, was more than 10 times oversubscribed. The ... Group, specialist lifting crane hire company, was oversubscribed 1½ times.

* * *

Coast Investment and Development Company, Kuwait, has acquired a 5.4 per cent stake in Energy Services and Electronics, which is the subject of a £25.3m contested reverse takeover bid by Peek Holdings, a grain storage company. Energy's shares rose 3p on Thursday to close at 92p.

* * *

Scottish & Newcastle Breweries, which is making a £100m takeover bid for Matthew Brown, has increased its holding in the Blackburn-based brewer to 13.8 per cent through market share

UK COMPANIES

INTERNATIONAL COMPANIES and FINANCE

RESULTS DUE NEXT WEEK

Hawker may better market expectations

Hawker Siddeley, the electrical and mechanical engineering major, prepared the market for the worst at the interim stag when it warned that there would be no advance this year. As a result the analysts, with an almost herd-like instinct, marked the group down in their forecasts from £170m to £140m. Now some on the market are thinking that the figures on Friday might not be quite so bad.

Over the last 18 months the group's order book has been growing with the electrical engineering side doing better than the mechanical. In particular the Power Engineering subsidiary, which concentrates on turnkey power generation and distribution projects, is continuing to perform satisfactorily although it cannot be expected to repeat its second half 1983 growth rate.

Hawker Siddeley Canada has already reported profits of £23m and sales of £270m for 1984: both were down a little on the previous year but ahead of expectations.

Smiths Industries

The transformation of Smiths Industries from a clocks and instruments maker into a high flying electronics group is now complete. Wednesday's interims ought to show across the board growth with the market expecting pre-tax profits of £17.5m. This produces a multiple of just under 9 for the past 12 month period.

Aerospace, which produces about a third of group profits, should now be showing the impact of the changing order book emphasis from defence to civilian work. The mounting orders for the Boeing 737-300 (for which the group supplies autothrottles and flight deck instrumentation) are good news. However, the higher R&D commitments of the civil side may also show through, in reduced margins.

The medical field is Smiths' second largest sector with usually the best margins and is particularly strong in North America. A full six months contribution from Downs Surgical (bought in March 1984 for £11m) will add to the sector.

One reservation, however, is the extent to which it has been the strong dollar that has been doing most to boost the medical side, a factor which may lessen this year.

In the industrial division the purchase in September of Superflexit (for £9m) should contribute £0.75m this time to the £3.5m of the sector.

For further expansion Smiths is thought to be looking to make acquisitions in both the UK and the U.S. and in both the medical and the aerospace sectors.

Burmah Oil

Predators rumoured to be sniffing around Burmah Oil will receive a new set of numbers to chew on when the company announces its results for 1984 on Thursday.

The City is expecting to see a strong increase in Castrol's profits more than offsetting a lower contribution from North Sea oil interests, the result of falling production from Thistle.

The pound's weakness will have helped both of these major divisions—raising the sterling value of Castrol's overseas earnings, and mitigating the effect of lower dollar oil prices.

Elsewhere, the sale of Halfords just before the busy Christmas trading period will have taken about £2m off pre-tax profits, without a corresponding reduction in interest charges.

Overall, Burmah should make about £80m pre-tax, against £79m, but the improvement in net profits should be greater—£40m against £36.5m—as highly-taxed North Sea oil income will form a smaller proportion of the total.

Gill & Duffus

Also due this week, on Friday, are final results from Gill & Duffus, the commodity trading house. At the nine months point the company forecast that profits for the year would be £18m (against £20.43m for 1983) and the market thinks this is about right. However, in 1983 a similar company forecast proved more than £2m below the eventual result.

Company	Announcement due	Dividend (p)* Last year Int.	Final	This year Int.
FINAL DIVIDENDS—				
Allied Plant Group	Friday	—	—	—
Aquascutum Group	Friday	0.75	1.3	0.75
Aurora	Wednesday	—	—	—
Ayrshire Metal Products	Wednesday	—	—	—
Baird, William	Thursday	6.3	9.45	7.0
Barr and Wallace Arnold Trust	Monday	2.0	4.0	2.0
Braime, T. F. and J. H. (Holdings)	Wednesday	1.5	2.0	1.5
Breakmate	Friday	—	—	—
British Dredging	Wednesday	1.0	1.0	1.0
Burmah Oil	Thursday	3.5	6.25	3.5
Chepstow Race Course	Friday	—	1.0	—
Connells Estate Agents	Thursday	—	—	1.8
Erith	Wednesday	0.85	1.8	1.1
Ex-Lands	Tuesday	—	0.6	—
Expamet International	Wednesday	2.0	2.75	2.0
Farmer, S. W. Group	Wednesday	3.1	6.65	3.1
Fitch and Co. Design Consultants	Wednesday	—	—	—
Fothergill and Harvey	Thursday	2.75	5.0	2.75
Gill and Duffus Group	Friday	4.0	6.0	4.0
Greenbank International Holdings	Tuesday	0.8	1.3	0.8
Helene of London	Tuesday	0.37	1.11	0.37
Hewden-Stuart Plant	Thursday	0.475	0.85	0.525
Hunting Petroleum Services	Thursday	2.25	5.75	2.25
Jerome, S. and Sons (Holdings)	Wednesday	0.694	1.995	0.694
Jersey Electricity Company	Friday	4.0	11.0	4.0
Laidlaw Group	Friday	0.46	1.4	1.1
Lec Refrigeration	Thursday	4.0	8.5	—
London and Contl. Advertising Hldgs.	Tuesday	—	—	—
Molins	Wednesday	2.2	5.7	2.2
Molynx Holdings	Tuesday	—	—	—
M.Y. Dart	Wednesday	0.25	0.5	0.25
Neill, James Holdings	Thursday	—	1.0	1.5
North British Canadian Invest. Company	Friday	1.9	3.8	1.9
Pearl Assurance	Wednesday	12.0	21.0	13.75
President Entertainments	Tuesday	—	—	—
Riley Leisure	Thursday	2.0	2.2	0.7
Ruberoid	Thursday	2.0	5.1	2.2
Save and Prosper Sterling Deposit Fund				
Stanley A. and G. Holdings	Tuesday	—	0.25	—
Dowding and Mills	Wednesday	1.0	0.5	1.0
INTERIM DIVIDENDS				
Ferry Pickering	Thursday	0.95	1.5	
Fisher, Albert	Wednesday	1.0	1.7	
Kwik Save Discount Group	Wednesday	0.33333	0.66667	
London and Provincial Shop Centres	Friday	1.3	2.8	
(Holdings)	Thursday	1.0	3.0	
Martonair International	Thursday	2.0	7.5	
Smiths Industries	Wednesday	4.75	9.25	
UDO Holdings	Friday	—	—	
Young, H. Holdings	Wednesday	—	—	

* Dividends are shown net pence per share and are adjusted for any intervening scrip issue.

DIVIDENDS ANNOUNCED

	Current payment	Date of payment	Corresponding div.	Total for year	Total last year
Ash & Lacy	12	June 1	12	20	20
Centreway Inds	Nil	—	1.2	0.1	1.87
Conder Group	0.75	May 28	Nil	1.5	Nil
Druck Hldgs‡ ......int	1.5	May 20	1.3	—	3
Elys (Wimbledon)	8	—	6.5	9	7.5
Exeter Building‡	3.6	—	3.5*	5.6	5.6*
Fitzwilton‖ ......int	1	July 1	1	—	2
Gaskell Broadloom	3.5	—	3.5	5	4.5
Sharna Ware	1.55	—	1.55	2.45	2.45
Solex	4.3	—	4.3	4.3	4.3
G. W. Sparrow	0.25	—	1.25	0.75	1.75
Trans-Oceanic ......int	1.2	May 23	1	—	3.2

Dividends shown pence per share net except where otherwise stated. * Equivalent after allowing for scrip issue. † On capital increased by rights and/or acquisition issues. ‡ USM stock. ¶ For nine months to December 31 1983. ‖ Irish currency.

BANK RETURN

BANKING DEPARTMENT	Wednesday April 3 1985	Increase (+) or Decrease (—) for week
	£	£
LIABILITIES		
Capital	14,553,000	—
Public Deposits	4,608,592,176	— 701,244,378
Bankers Deposits	812,151,736	+ 69,540,461
Reserve and other Accounts	1,595,573,187	— 36,635,222
	7,030,870,099	— 668,339,139
ASSETS		
Government Securities	617,894,713	+ 94,058,425
Advance & other Accounts	783,334,805	— 997,979,868
Premises Equipment & other Secs.	5,619,676,131	+ 231,537,253
Notes	9,740,168	+ 4,047,668
Coin	224,282	— 2,627
	7,030,870,099	— 668,339,139

ISSUE DEPARTMENT	£	£
LIABILITIES		
Notes in circulation	12,520,259,832	+ 385,952,332
Notes in Banking Department	9,740,168	+ 4,047,668
	12,530,000,000	+ 390,000,000
ASSETS		
Government Dept	11,015,100	—
Other Government Securities	2,411,402,909	+ 409,741,222
Other Securities	10,107,581,991	— 19,741,222
	12,530,000,000	+ 390,000,000

First profit since 1979 at Massey Ferguson

By Bernard Simon in Toronto

AN INCREASED share of the tractor market and tight cost controls have helped Massey-Ferguson, the Canadian farm equipment and industrial machinery manufacturer, to achieve its first annual profit since 1979.

In the year to January, net income reached U.S.$7.2m, compared with a $68m loss a year earlier. After payments to preferred shareholders, the loss per share declined from 93 cents to 12 cents.

Operating profit in the final quarter was $3.2m, but reorganisation costs pushed the company into a net loss for the period of $7m, down from a loss of $26.5m a year earlier.

Mr Victor Rice, chairman, said 1985 prospects were clouded by continued weak demand for combine harvesters in North America. Industry sales in February were two-thirds below the depressed levels of a year ago.

Mr Rice said Massey-Ferguson, which was rescued from collapse by its lenders two years ago, was "looking beyond our present fragilities," as well as exploring joint ventures in the farm machinery industry.

According to Mr Rice, future acquisitions would capitalise on the company's marketing strengths and its success in tackling difficult markets.

Total sales rose 4.3 per cent last year to $1.5bn, thanks to a 29 per cent jump in engine sales. Revenues from farm and industrial machinery fell by 10.6 per cent.

Massey raised its share of the world tractor market from 15 per cent to 17 per cent last year, but Mr Rice forecast no improvement in farm machinery demand this year, and possibly a further decline in Europe, where its sales dropped 14 per cent in 1984.

Sales of industrial machinery, diesel engines and hydraulic components had recently levelled off after a strong recovery, and no improvement is expected in 1985.

Long-term debt has dropped slightly in the past year, to stand at $67m on January 31.

Valeo to cut 2,700 jobs at two subsidiaries

By Paul Betts in Paris

VALEO, the troubled French motor components group, is planning to cut jobs at two of its subsidiaries as part of its efforts to restructure its loss-making rotating engines operations.

The redundancies will hit Valeo's Ducellier subsidiary where about 1,600 job cuts are envisaged out of a total of 4,5000. Ducellier has now come under full control of Valeo since Lucas Industries of the UK shed its 50 per cent joint interest.

The other subsidiary affected is Paris-Rhone, where more than 1,000 job cuts out of a total of 3,200 are expected.

Valeo recently increased its estimate for consolidated losses last year to more than FFr 100m ($10.4m) from an earlier forecast of FFr 60m to FFr 70m.

Texas bank discloses loan losses

BY PAUL TAYLOR IN NEW YORK

FIRST CITY BANCORP of Texas, the 24th largest banking group in the U.S., has disclosed losses on $37.7m in loans involving three members of its board, including Mr John Connally, a former Texas governor and U.S. Treasury Secretary. The revelations are the latest in a series concerning the Texas energy banks.

First City is the second major Texas energy lender to report problems with loans to insiders. Texas Commerce Bank of Houston, the 21st largest U.S. bank, recently revealed that the Comptroller of the Currency is investigating charges that the bank restructured loans involving directors on favourable terms.

The First City loans involve Mr Connally, and Mr Corbin Robinson and Mr Roy Huffington, two prominent oil men. The loans have been criticised by Federal examiners as "substandard," because some "may or may not be collected," according to the bank. However, it emphasised that the review by the Comptroller of the Currency did not raise any questions about the legality of the loans.

The revelations are another embarrassment to the bank and other Texas energy lenders. Last year the Comptroller took disciplinary action against three of First City's banks in Houston Dallas and Midland, for inadequate controls and lending policies. The group's planned $288m takeover of Cullen-Frost Bankers was abandoned last month amid concern about First City's weakening loan portfolio. Earlier this week Moody's said it was reviewing the bank holding company's debt for possible downgrading.

Among other recent developments in the Texas energy banking sector, MCorp, the Dallas-based banking group, said earlier this week that the U.S. Securities and Exchange Commission staff members would recommend enforcement action against two of its officers for allegedly violating U.S. security laws.

Separately Texas Commerce Bankshares stock has plunged after its forecast last month that first quarter earnings would drop by 35 per cent—the first earnings decline in 16 years. It cited, among other factors, higher loan loss provisions.

Last week Interfirst, the Dallas based banking group, said it would use the $55m proceeds of a property sale to bolster reserves and on Thursday Moody's said it was reviewing the bank for possible downgrading of its credit rating.

Shawmut exempt list probed

BY OUR NEW YORK STAFF

A U.S. FEDERAL bank examiner has revealed in Congressional testimony that Shawmut Bank of Boston is under investigation by the U.S. Attorney's office because of "problems with its exempt list." Previously Bank of Boston revealed that it had inadvertently placed two companies controlled by alleged Mafia leaders on its exempt list.

U.S. banks are required to report all cash transactions over $10,000 unless they have granted an exemption. Shawmut Bank, together with Bank of Boston and several major U.S. banking groups, has already admitted failing to report cash transfers with foreign banks.

Shawmut has admitted failing to report cash transactions with 28 institutions, including $190m in transfers with foreign banks. However, the bank said it was unaware of any investigation into its exempt list. "We do not know of any material non-compliance, said Mr John Hamill, Shawmut Bank's executive vice-president.

Separately, Congressmen investigating Bank of Boston's failure to report $1.3bn in foreign currency transfers attacked the level of the fine paid by the bank as inadequate. Bank of Boston paid a $500,000 fine in February when it pleaded guilty to failing to report the transactions but in Congressional testimony it emerged that the bank had earned $1m in profits from the transactions.

● Federal agents investigating unreported currency transactions seized records and subpoenaed workers at Shearson Lehman Brothers' Philadelphia office. The records cover accounts handled by a broker between January 1983 and March this year, according to Federal investigators.

Equimark near branches deal

By Our New York Staff

EQUIMARK, the troubled Pittsburgh-based banking group, is on the verge of signing agreements to sell 23 of its branches for $32m. If completed the sale would mark a major step forward for the group's efforts to raise additional capital ahead of a mid-year decline set by bank regulators.

U.S. bank regulators have told the group that it must raise $100m in new capital in order to lift its primary capital ratios from around 2.2 per cent to the 5.5 per cent minimum demanded by Federal regulators. The group has $2.5bn in assets.

Allis-Chalmers sees $120m disposal write-off

BY OUR NEW YORK STAFF

ALLIS-CHALMERS, the troubled U.S. farm equipment manufacturer which last week agreed to sell its loss-plagued agricultural equipment business and its finance unit to Kloeckner-Humboldt-Deutz of West Germany, expects to report a $120m write-off this year on the deal.

At the same time, Allis has revised its preliminary 1984 results released in February to show a full-year net loss of $261m or $19.26 a share.

The Milwaukee-based group had earlier reported a preliminary $103m loss for 1984 including a $60m fourth quarter loss. The revised full-year loss, or $11.84 a share loss in 1983, included a $161.6m pre-tax provision for the restructuring of operations. Of this $135m represented the estimated cost "of significantly reducing the scope of operations of our agricultural and material handling equipment business segment where we have had continuing heavy losses."

Allis has also given further details of its preliminary agreement with KHD. Under the deal Allis will receive a cash payment of about $107m. Among other provisions, the agreement will allow Allis to withdraw $23m from the credit unit prior to closing.

Mr Wendell Bueche, president and chief executive, said: "If the sale is completed it is estimated that a write-off of approximately $120m related to the sale would be recorded in 1985, including 1985 operating losses for the agricultural equipment business of approximately $50m to the estimated sale date in early May 1985."

The company noted that the 1985 charge would wipe out shareholders' equity which dropped to $72.1m at the end of last year from $328.2m a year earlier. However Mr Bueche said the company was negotiating a recapitalisation plan and aimed to have it in place by the end of May. Mr Bueche said a crucial element of the plan would be the conversion of some of the company's debt into equity.

Hoogovens pays dividend after return to black

BY LAURA RAUN IN AMSTERDAM

HOOGOVENS, the Dutch steelmaker, will pay a dividend for the first time in eight years after moving into the black last year with a Fl 206.5m ($58.12m) net profit.

The 1984 dividend will be paid in cash amounting to Fl 1.60 a share or in stock amounting to one new share for each 25 held.

Hoogovens was Fl 38.4m in the red in 1983 following losses amounting to some Fl 1.5bn since 1974. The company split off from the West German steelmaker Hoesch in 1982, ending an ill-fated merger that began in the mid-1970s.

Sales rose 20 per cent to Fl 7.26bn last year on a record 5.5m tonnes of crude steel production. Output or rolled products spurted 25 per cent to 4.57m tonnes.

The Ijmuiden-based company noted that its financial position had improved with the allocation of Fl 180.5m of net income to general reserves and with the Fl 130m proceeds of a share issue last year. A Fl 570m subordinated loan from the state also bolstered finances while cash flow more than doubled to Fl 868m last year from Fl 315m in 1983.

Hoogovens has orchestrated its return to corporate health through an intensive Fl 3.2bn, five-year restructuring programme ending this year. The Dutch Government, which owns 28 per cent of Hoogovens, is providing about Fl 1.3bn in assistance. The City of Amsterdam owns nearly 7 per cent of the steelmaker.

Early this year Mr Jan Hooglandt, its chairman, sounded a cautious note for 1985, underscoring that Hoogovens has little control over a number of adverse factors. But he added that the group could offer "satisfactory counterweights."

AP-DJ adds from Rotterdam: Pakhoed Holding, the Dutch transport, property and petroleum storage concern, said its net income after tax but before extraordinary charges declined 15 per cent in 1984 to Fl 38.6m.

After Fl 2.3m of unspecified special charges, the attributable profit totalled Fl 36.3m or Fl 8.80 a share, above the Fl 34.4m or Fl 8.35 a share in 1983, when Fl 11.5m of charges were taken.

Turnover totalled Fl 1.9bn against Fl 1.5bn. The dividend is being increased to Fl 3.60 a share from Fl 3.40.

Fokker to increase payout as earnings rise by 30%

BY OUR AMSTERDAM CORRESPONDENT

FOKKER, the Dutch aerospace group, has achieved its highest net income for at least eight years with a 30 per cent boost in earnings to Fl 23.5m ($6.6m) last year.

The profit, which was slightly higher than the company's expectations, prompted an increase in the dividend, to Fl 4.75 a share in cash or combined cash and stock. In 1983 a dividend of Fl 3.60 was paid in cash or combined cash and shares.

Fokker said its good performance reflected "the slight upward trend in the aircraft industry" last year, with the industrial upturn continuing in early 1985. Total production of civilian F-27s is sold up to 1986 while "attractive" orders for military products were received in 1984.

It described the prospects for this year as good, noting that the first orders for its new aircraft models received in 1984 and early 1985 were "very encouraging." The Fokker 50, which is a successor to the F-27 Friendship, and the Fokker 100, a successor to the F-28 Fellowship, were both unveiled in late 1983. Orders for 21 of the Fokker 50s and for eight Fokker 100s have been received.

Sales edged up only 2 per cent to Fl 1.56bn. Operating income fell by nearly a half to Fl 29.2m, reflecting a Fl 25m charge for development costs for the Fokker 50 and Fokker 100. That compares with Fl 3m in development costs deducted in 1983.

The Schipol-based company said provisions were also made for "possible financial consequences" of phasing out the F27 and F28, where deliveries slipped last year. Eleven F27s were delivered in 1984 compared with 13 the preceding year and 17 F28s compared with 19.

Fokker noted that its finances had improved considerably as financial income and charges moved into the black with a Fl 5.4m profit against a Fl 17.5m loss in 1983.

Liquid assets amounted to Fl 96m at the end of 1984 compared with a bank overdraft of Fl 40m a year earlier. A change in financing arrangements, slimmer stocks, a new share issue and retained profit were credited with the improvement.

NYSE gets new chief amid reshape

By Our New York Staff

THE NEW YORK Stock Exchange, as part of a major reorganisation, has named Mr Robert Birnbaum, currently president of the rival American Stock Exchange, as president, chief operating officer and a member of the NYSE board.

The appointment, which fills a vacancy created last year when Mr John Phelan was named chairman and chief executive of the NYSE, had been widely rumoured and came as the Big Board announced a wide-ranging restructuring creating seven distinct lines of business—equities, bonds, options, futures, market data, regulation, and automation services.

The NYSE also announced a new rule making it easier for large diversified member firms to become associated with exchange specialist units, thereby strengthening the specialist businesses.

Mr Birnbaum, aged 57, will oversee the operations of the seven lines of business. He has been president and chief executive of the Amex since 1977 and will be paid $500,000 a year in his new post under a three-year contract beginning on May 6.

Mr Phelan said the restructuring reflected changes in the exchange's business and its evolution into "a dynamic business organisation with a broad and diverse base of customers and constituents." He noted that while the exchange continues to be a leading marketplace for corporate equities, "competition for investors' funds along with emerging new financial products and services, have dramatically altered the character and needs of the industry's customer base.

"This has sparked major changes in the exchange's own traditional businesses, propelled it into new businesses and revolutionised its philosophy, mission and corporate goals," he said.

The "Rule 68" regulation change provides an exemption from certain existing regulations if a member firm and a specialist unit are formally organised as separate entities under a holding company, in order to prevent the flow of privileged information between them.

Mr Phelan said: "The entry of diversified firms into the specialist business could, over time, result in more capital and expertise being made available for marketmaking. This would reinforce the NYSE's specialist system, assuring its ability to continue to make deep, liquid markets in an environment where overall volume and average trade size are increasing dramatically."

Finsider deficit above forecast

By Alan Friedman in Milan

FINSIDER, the Italian state steel corporation, made a L263bn ($132m) loss in the first two months of 1985, which is down on L348bn lost in the same period last year but still L50bn larger than forecast.

For 1984 as a whole Finsider made a L1.476bn loss, reduced from the record L2.085bn 1983 deficit. If losses continue at the rate for the first two months, Finsider will not be able to reach its target of reducing total 1985 losses to L628bn.

The group said it had been hit in January and February by the strength of the U.S. dollar

Komatsu suffers setback but expects better year

BY ROBERT COTTRELL IN TOKYO

KOMATSU, the Japanese manufacturer of construction and earthmoving equipment, yesterday announced a sales and profit decline in 1984.

Sales fell 4.9 per cent to Y713.4bn ($2.85bn), while net profits fell 13.8 per cent to Y22.6bn. The company said, however, that both sales and profits would rise again in 1985.

Sales of construction equipment in the year fell 8 per cent to Y548.6bn. Domestic sales of Y250.8bn showed a 13 per cent increase, but this was more than offset by a 20.5 per cent decline in overseas sales to Y297.8bn.

The group's industrial equipment sales rose 19.9 per cent to Y39.8bn, helped by strong demand for presses from automotive and electrical industries. Sales of components, parts and other goods showed a 12.1 per cent gain to Y68.1bn, due mainly to increased sales of electronics parts such as silicon wafers.

Komatsu said 1985 would remain a difficult year, but that performance would improve, mainly because of a new series of construction machines and sustained demand for industrial machines.

Alcom deeper in the red

BY WONG SULONG IN KUALA LUMPUR

Aluminium Company of Malaysia (Alcom), the 40 per cent associate of Alcan of Canada, and the leading aluminium products manufacturer in South-East Asia, has reported a sharply wider loss of 21.6m ringgit ($8.65m) for 1984 following sharp deterioration in trading conditions. The previous pre-tax loss was 910,000 ringgit.

Sales were up 3 per cent to 87.7m ringgit on an unchanged output volume of 13,385 tonnes.

The company said the losses were "higher than anticipated" because of difficult trading conditions and high-cost inventories in the face of falling significantly higher interest charges.

Alcom added that the immediate prospects were not encouraging because of the economic recession, overcapacity in both sheet and extrusion production, depressed export prices and competition from low-cost imported products.

Steps being taken to restore profitability include a proposed rights issue, cost reduction, the sale of underused assets and the restructuring of the company's operations.

At the year-end it had shareholders' funds of 61.6m ringgit and long-term debt of 79.6m ringgit incurred by a 120m

WORLD STOCK MARKETS

NEW YORK

Indices

NEW YORK

STANDARD AND POORS

N.Y.S.E. ALL COMMON

TORONTO

MONTREAL Portfolio

NEW YORK ACTIVE STOCKS

WALL STREET

Blue chips rebound in final hour

THE TENDENCY remained mixed in moderate trading on Wall Street on Thursday, when blue-chips rebounded in the final hour.

The Dow Jones Industrial Average finished 0.99 up at 1,259.05, reducing its loss on the holiday shortened week to 7.73, while the NYSE All Common index, at $103.71, shed 6 cents on the day and 89 cents on the week. Declines led advances by 796 to 666, while the volume decreased 8.57m shares to 86.91m.

After the Stock Market closed, the Federal Reserve reported the M-1 money supply measure increased $2.8bn in the week ended March 25. Analysts had been expecting an increase.

Earlier Charles Jensen of MKI Securities said the investment outlook has clouded up. After the declines in the stock market Tuesday and Wednesday "one has to think there is more vulnerability than meets the eye."

Jensen said the next major move could see the stock market drop to the 1210-1220 area where new support would develop.

"The leadership structure has been deteriorating," Jensen said. "Disappointing earnings reported every day in one sector after another" has been the major culprit.

Katy Industries, which asked the Securities and Exchange Commission for more time to file a 10-k report, fell $1⅞ to $35¼—an audit of loss reserves at an insurance subsidiary is not complete.

Allis-Chalmers shed $⅛ to $7⅛—after the market closed Wednesday, it said it expected to write-off $120m for the sale of its agricultural equipment unit.

General Dynamics dipped $1⅞ to $68½—the Pentagon said Government auditors found $244m in contract overcharges. Some of the money has already been withheld from payments due General Dynamics.

CBS advanced $2¾ to $112—new reports that it was looking for a "white knight" to use in the event of a hostile takeover bid fueled interest. However, CBS denied the reports.

Capital Cities Communications moved up $3 to $208¼.

Hilton Hotels came back $2¾ to $69¾, after rising $8½ Wednesday on news that Golden Nugget was seeking to buy shares held by the estate of Conrad Hilton. The executor of the estate said the $72-per-share offer was inadequate.

Chrysler rose $⅜ to $35⅞—it said its cash position bulged to $3bn in the quarter ended March 31.

General Motors also put on $⅜ to $73¼—the United Motors plant in California co-owned by GM and Toyota is meeting its production schedules, officials said.

THE AMERICAN SE Market Value index was off 0.22 to 226.85. Volume 8.87m (7.22m) shares.

CANADA

Stock Markets managed a mixed closing after a modest afternoon upswing helped to wipe out most of the morning's loss.

The Toronto Composite index finished 4.0 up at 2604.3, after more than even points loss at midsession. The Metals and Minerals index gained 8.1 to 2055.3, Oil and Gas 2.4 to 3433.5 and Golds rose 60.9 to 3683.0.

Massey-Ferguson firmed 5 cents to $3.05 on its first annual profit since 1979.

AUSTRALIA

Share markets closed at a record high with the continued weakness of the local dollar dominating trading.

At the end of half-day before the Easter break, the All Ordinaries index was a record 842.0 compared with the previous record of 837.5.

The Gold index rose 9.2 to 834.3, the All Resources index rose 6.8 to 566.8, the All Industrials 1.2 to 1,195.2, Metal and Minerals 6.7 to 544.4 and Oil and Gas 2.4 to 611.1.

Brokers said the falling Australian dollar underpinned the improving resource and gold sectors despite lower international metal prices overnight.

Overseas investors competed with buying orders from local institutions.

Takeover target Arnott saw heavy trading, with one million shares purchased at prices ranging up to its closing $A4.60. Brokers said Campbells Soup of the U.S. is believed to have acquired these shares in an attempt to gain 15 per cent of the issued capital.

TOKYO

Share prices fell across a broad front in active trading yesterday (Friday), driving the market average below 12,500 for the first time since March 26 as it shed 82.86 to 12,544.24.

In a turnover of 450m shares, the market continued the sharp decline which took the average 56.16 down Thursday, when the turnover was 630m. However, trading slowed markedly in the afternoon session after a very active morning.

International populars led the fall due to concern about U.S./Japan trade friction and uncertainty was heightened by forthcoming holidays overseas, as there will be a lack of foreign input here until next Wednesday, one dealer said.

The S.E. index lost 6.75 to 985.68 and the second section of the market also eased in a trade of 11m (9m) shares.

Enthusiasm for lower-priced shares, which blossomed earlier this week and seemed strong yesterday morning, dissipated in the afternoon in the market's tired mood, and losses spread to every sector, dealers said.

Leading Drugs fell but some previously ignored Drugs and biotechnology - related Foods firmed.

Communications worsened after improving on the recent Nippon Telephone and Telegraph privatisation.

Some long-ignored Shippings and Trading Houses advanced modestly, but heavy-asset backed Real-Estates and Financials lost ground.

HONG KONG

Mostly higher amid speculation of takeovers and asset sales. Trading was active, with heavy book-squaring ahead of the Easter break.

The Hang Seng index was 20.90 higher at 1,471.25. Chartists expect it to test the psychologically important 1,500 mark next week.

Brokers noted the weaker U.S. dollar as a factor behind the price rises. They said some institutional investors were switching into local stocks from the U.S. instruments.

Jardine Matheson featured 80 cents up at HK$11, following purchases by major local and overseas brokerage firms.

Brokers noted heavy buying in the Property sector on a general expectation of an imminent rise in residential flat prices.

SINGAPORE

Increased buying interest and short covering ahead of the Easter holidays took share prices higher over a broad front in fairly active trading.

The Straits Times Industrial index rose 6.46 to 820.64 and the SE All Share index 1.86 to 230.60. Turnover 13.0m (12.1m) shares.

PARIS

French stocks paused Thursday to close narrowly mixed in moderate trading, after three days of record-setting advances.

Brokers said profit-taking and pre-weekend position adjustments exercised light downward pressure on share prices. But strong Foreign demand offset this effect, holding price movements to a narrow range, especially on the downside.

Advancing issues narrowly outnumbered declines 81-to-78.

Construction issues closed with the day's strongest gains.

GERMANY

Share prices closed firmer after a moderate pre-holiday trading session, with the recovery of the dollar by around five pfennies encouraging purchase orders.

Dealers said the forthcoming long Easter weekend had, however, thinned trading as many investors left on holiday early. But the Commerzbank index of 60 leading shares, calculated at the midsession, rose 3.2 to 1,194.7.

In Banks, this week reporting on 1984 results, Commerzbank held unchanged at DM 163 after an unchanged dividend. Deutsche slipped DM 1.10 to DM 438.70.

CANADA

AUSTRIA

BELGIUM/LUXEMBOURG

DENMARK

FRANCE

GERMANY

ITALY

NETHERLANDS

NORWAY

SPAIN

SWEDEN

SWITZERLAND

AUSTRALIA

HONG KONG

JAPAN

AUSTRALIA (continued)

JAPAN (continued)

SINGAPORE

SOUTH AFRICA

CURRENCIES, MONEY and CAPITAL MARKETS

FOREIGN EXCHANGES

Sterling weaker

Sterling lost ground in currency markets on Thursday on news of a cut in North Sea oil prices. Trading before the announcement had been rather quiet and featureless with sterling edging a little weaker as the dollar improved on shortcovering. Sterling's index fell to 76.3 from 77.1 on Wednesday. Against the dollar it fell to $1.1965 from $1.2135 and DM 3.79 from DM 3.80. It was also weaker against the yen at Y304 from Y307 and FFr 11.5550 from FFr 11.5850. Against the Swiss franc it rose slightly to SwFr 3.2075 from SwFr 3.2050.

The dollar finished towards the best level of the day as sentiment improved ahead of the long weekend. The fear of running short positions over the long break ensured a reasonable demand for the dollar. It closed at DM 3.1740 from DM 3.1225 and Y254.40 from Y253.20. Against the Swiss franc it improved to SwFr 2.6859 from SwFr 2.6465 and FFr 9.69 compared with FFr 9.5350. Its index rose from 147.1 to 148.9.

£ in New York

	April 3	prev. close
£ Spot	$1.2080-2.100	$1.2300-2320
1 month	0.46-0.45pm	0.50-0.49pm
3 months	1.23-1.20pm	1.20-1.18pm
12 months	1.78-1.70pm	1.72-1.65pm

Forward premiums and discounts apply to the U.S. dollar.

STERLING EXCHANGE RATE INDEX

	April 4	Previous
8.30 am	76.7	77.3
9.00 am	77.0	77.5
10.00 am	76.8	77.4
11.00 am	76.8	77.4
Noon	76.8	77.3
1.00 pm	76.9	77.4
2.00 pm	76.8	77.2
3.00 pm	76.6	77.2
4.00 pm	76.3	77.1

lending rate 13-13½ per cent UK clearing banks base since April 3

POUND SPOT—FORWARD AGAINST POUND

April 4	Day's spread	Close	One month	% p.a.	Three months	% p.a.
U.S.	1.1900-1.2100	1.1960-1.1970	0.47-0.44c pm	4.56	1.25-1.20pm	4.09
Canada	1.6435-1.6640	1.6470-1.6480	0.45-0.38c pm	2.96	1.17-1.03pm	2.67
Nethlnd	4.26-4.33¼	4.27½-4.28½	2½-2¼c pm	6.31	6¾-6½pm	6.13
Belgium	75.82-76.64	76.20-76.30	23-18 pm	3.23	61-52pm	2.96
Denmark	13.52-13.69	13.58-13.59	3⅞-2⅞ore pm	2.98	10-9pm	2.80
Ireland	1.2099-1.2188	1.2120-1.2135	0.02p pm-0.11d	−0.45	0.11p-0.14d	−0.05
W. Ger.	3.77¾-3.81½	3.78½-3.79½	2⅞-2¾pf pm	7.52	6¾-6½pm	6.93
Portugal	207.76-213.86	207.76-211.69	155-525c dis	19.45	565-1485dis	18.98
Spain	210.86-212.51	210.86-211.51	15c pm-5 dis	0.28	5-40dis	−0.43
Italy	2,400½-2,430¼	2,417-2,418	1-4lire dis	−1.24	7-9dis	−1.32
Norway	10.86¾-11.00½	10.91-10.92	¾ore pm-par	0.41	1½-⅞pm	0.46
France	11.48¾-11.63½	11.55-11.56	2⅞-2⅜ pm	2.66	6⅛-5⅝pm	2.14
Sweden	10.89¾-11.00	10.93½-10.94½	¼ore pm-⅛ dis	−0.07	½-1¼dis	−0.30
Japan	303-307	303½-304½	2-1¾y pm	7.40	5½-5pm	6.74
Austria	26.56-26.77	26.58-26.65	14¾-13½gro pm	6.37	42-38½pm	6.06
Switz.	3.1945-3.2290	3.20¼-3.21½	2¼-2c pm	7.95	6½-5½pm	7.17

Belgian rate is for convertible francs. Financial franc 76.35-76.45. Six-month forward dollar 1.84-1.79p pm. 12-month 2.00-1.85p pm.

DOLLAR SPOT—FORWARD AGAINST DOLLAR

April 4	Day's spread	Close	One month	% p.a.	Three months	% p.a.
UK†	1.1900-1.2100	1.1960-1.1970	0.47-0.44c pm	4.56	1.25-1.20pm	4.09
Ireland†	0.9820-0.9932	0.9890-0.9900	0.45-0.38c pm	5.01	1.10-0.95pm	4.13
Canada	1.3750-1.3787	1.3777-1.3787	0.17-0.20c dis	−1.61	0.44-0.49dis	−1.35
Nethlnd.	3.5500-3.5880	3.5895-3.5905	0.54-0.51c pm	1.77	1.88-1.84pm	2.09
Belgium	63.27-63.80	63.70-63.80	7.5-8.5c dis	−1.51	18-20dis	−1.19
Denmark	11.295-11.367	11.362-11.367	2¼-2¾ore dis	−2.65	2¾-3dis	−1.01
W. Ger.	3.1420-3.1800	3.1735-3.1740	0.78-0.73pf pm	2.88	2.38-2.33pm	2.38
Portugal	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	−22.79
Spain	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	−4.33
Italy	2,004-2,023	2,022-2,023	10-10½lire dis	−6.11	28-29dis	−5.66
Norway	9.12¾-9.13¼	9.12¾-9.13¼	3.00-3.50ore dis	−4.30	8.00-8.50dis	−3.84
France	9.6000-9.7000	9.6875-9.6925	1.50-1.60c dis	−1.93	4.40-4.70dis	−1.89
Sweden	9.08¾-9.15¼	9.14¾-9.15¼	3¼-3¾ore dis	−4.61	9½-10dis	−4.28
Japan	253.70-254.70	254.35-254.45	0.57-0.53y pm	2.59	1.75-1.70pm	2.71
Austria	22.090-22.227	22.217-22.227	3.60-3.00gro pm	1.78	12.0-10.0pm	1.98
Switz	2.6590-2.6860	2.6845-2.6855	0.80-0.74c pm	3.45	2.31-2.25pm	3.41

† UK and Ireland are quoted in U.S. currency. Forward premiums and discounts apply to the U.S. dollar and not to the individual currency. Belgian rate is for convertible francs. Financial franc n.a.

OTHER CURRENCIES

Apr. 4	£	$		£ Note Rates
Argentina Peso..	424.81-425.54	352.40-352.70	Austria	26.60-26.90
Australia Dollar.	1.8180-1.8260	1.5037-1.5105	Belgium	76.40-77.20
Brazil Cruzeiro.	5,436.80-5,465.45	4,510-4,530	Denmark	13.78-13.82
Finland Markka.	7.8756-7.9193	6.4750-6.4850	France	11.55-11.66
Greek Drachma.	162.67-166.70	134.88-138.11	Germany	3.78-3.82
HongKong Dollar	9.3750-9.3850	7.8010-7.8050	Italy	2410-2450
Iran Rial	114.80*	2.75*	Japan	306-309
KuwaitDinar(KD)	0.36454-.3655	0.30240-0.30250	Netherlands	4.27-4.31
Luxembourg Fr	76.20-76.30	63.70-63.80	Norway	10.93-11.06
Malaysia Dollar	[illegible]	2.5185-2.5235	Portugal	204-217
New Zealand Dlr.	2.6600-2.6800	2.2075-2.2222	Spain	208½-214
Saudi Arab Riyal	4.3490-4.3560	3.6080-3.6090	Sweden	10.95-11.06
Singapore Dollar	2.6650-2.6750	2.2185-2.2235	Switzerland	3.20-3.23
Sth African Rand	2.3883-2.4008	1.9880-2.0080	United States	1.20-1.22
U.A.E. Dirham	4.4250-4.4325	3.6720-3.6730	Yugoslavia	285-325

* Selling rate.

EXCHANGE CROSS RATES

April 4	Pound St'rling	U.S. Dollar	Deutschem'k	J'paneseYen	FrenchFranc	Swiss Franc	Dutch Guild	Italian Lira	Canada Dollar	Belgian Franc
Pound Sterling	1.	1.197	3.790	304.0	11.59	3.908	4.280	2418.	1.648	76.25
U.S. Dollar	0.836	1.	3.168	254.1	9.657	2.681	3.577	2020.	1.377	63.73
Deutschemark	0.264	0.316	1.	80.21	3.049	0.846	1.129	637.9	0.435	20.12
Japanese Yen 1,000	3.289	3.936	12.47	1000.	38.01	10.55	14.08	7952.	5.419	250.8
French Franc 10	0.865	1.035	3.280	263.1	10.	2.776	3.704	2092.	1.426	65.99
Swiss Franc	0.312	0.373	1.182	94.78	3.602	1.	1.334	753.7	0.514	23.77
Dutch Gilder	0.234	0.280	0.886	71.03	2.700	0.749	1.	564.8	0.385	17.82
Italian Lira 1000	0.414	0.495	1.568	125.7	4.780	1.327	1.770	1000.	0.681	31.54
Canadian Dollar	0.607	0.726	2.300	184.5	7.014	1.947	2.598	1467	1.	46.28
Belgian Franc 100	1.311	1.569	4.970	398.7	15.15	4.207	5.613	3170.	2.161	100.

MONEY MARKETS

Little change

Interest rates showed little change in London on Thursday in quiet pre-Easter trading. Three-month eligible bank bills were bid at 12 7/16-12⅜ per cent compared with 12 7/16-12⅜ per cent on Wednesday while three-month interbank money finished at 13 3/16 per cent compared with 13 3/16 per cent. Weekend interbank money touched a high of 15 per cent and a low of 8 per cent.

The Bank forecast a shortage of around £850m with factors affecting the market including maturing assistance and a take up of Treasury bills together draining £855m and the unwinding of previous sale and repurchase agreements a further £244m. In addition there was a rise in the note circulation of £330m. These were partly offset by Exchequer transactions which added £475m and banks brought forward balances £50m above target.

To help alleviate the shortage the Bank offered an early round of assitance which totalled £274m and comprised purchases of £21m of eligible bank bills in band 1 (up to 14 days) at 12⅞ per cent, £232m in band 2 (15-33 days) at 12⅞ per cent, £4m in band 3 (34-63 days) at 12⅞ per cent and £17m in band 4 (64-91 days) at 12½ per cent.

Further help was given in the morning of £310m. This was made up of purchases of £1m of eligible bank bills in band 1 at 12⅞ per cent, £136m in band 2 at 12⅞ per cent, £3m in band 3 at 12⅞ per cent and £4m of Treasury bills in band 4 at 12½ per cent. It also arranged sale and repurchase agreements on £166m of bills at 12⅞ per cent, for resale on May 3.

In the afternoon the Bank bought £104m of bills, comprising purchases of £1m of local authority bills and £19m of eligible bank bills in band 1 at 12⅞ per cent and £64m of eligible banks bills in band 2 at 12⅞ per cent. In band 3 it bought £19m of eligible bank bills at 12⅞ percent, and £1m in band 4 at 12½ per cent. It also provided late assistance of £70m, making a total of £758m.

LONDON MONEY RATES

Apr. 4 1985	Sterling Certificate of deposit	Interbank	Local Authority deposits	Company Deposits	Market Deposits	Treasury (Buy)	Treasury (Sell)	Eligible Bank (Buy)	Eligible Bank (Sell)	Fine Trade (Buy)
Overnight	—	8-15	[illegible]	[illegible]	[illegible]	—	—	—	—	—
2 days notice	—	—	[illegible]	[illegible]	[illegible]	—	—	—	—	—
7 days or	—	—	[illegible]	[illegible]	[illegible]	—	—	—	—	—
7 days notice	—	13-13¼	[illegible]	[illegible]	[illegible]	—	—	—	—	—
One month	13 5/16-13 3/16	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]
Two months	13¼-13⅛	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]
Three months	13 1/16-12⅞	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]
Six months	12⅞-12⅝	[illegible]	[illegible]	[illegible]	[illegible]	—	—	—	—	—
Nine months	12¾-12⅝	[illegible]	[illegible]	[illegible]	[illegible]	—	—	—	—	—
One year	12-11⅞	[illegible]	[illegible]	[illegible]	[illegible]	—	—	—	—	—

	Local Auth. negotiable bonds	Local Authority Deposits	Finance House Deposits	$ Cert of Deposits	SDR Linked Deposits	ECU Linked Deposits
One month	14-13⅝	—	[illegible]	[illegible]	[illegible]	[illegible]
Two months	13⅞-13½	—	[illegible]	[illegible]	[illegible]	[illegible]
Three months	13¾-13⅝	—	[illegible]	[illegible]	[illegible]	[illegible]
Six months	13-13⅛	—	[illegible]	[illegible]	[illegible]	[illegible]
Nine months	12 13/16-12⅝	—	[illegible]	[illegible]	[illegible]	[illegible]
One year	12 11/16-12 9/16	—	[illegible]	[illegible]	[illegible]	[illegible]
Two years	—	11⅝	—	—	—	—
Three years	—	11¾	—	—	—	—
Four years	—	11¾	—	—	—	—
Five years	—	11¾	—	—	—	—

ECGD Fixed Rate Export Finance IV: Average Rate of Interest period March 6 to April 2 (inclusive): 13.618 per cent. Local authorities and finance houses seven days' notice, others seven days' fixed. Finance Houses Base Rate (published by the Finance Houses Association): 14 per cent from April 1, 1985. London and Scottish Clearing Bank Rates for lending 13-13½ per cent. London Deposit Rates for sums at seven days' notice 7.17-7.50 per cent (net). Treasury Bills: Average tender rates of discount 12.3401 per cent. Certificates of Tax Deposit (Series 6): Deposits £100,000 and over held under one month 13½ per cent; one-three months 13¼ per cent; three-six months 12¾ per cent; six-nine months 12¼ per cent; nine-12 months 12 per cent. Under £100,000 11½ per cent from March 29. Deposits held under Series 5 12 per cent. The rate for all deposits withdrawn for cash 8 per cent.

FT LONDON INTERBANK FIXING

(11.00 a.m. April 4)

Three months U.S. dollars

bid 9 1/2	offer 9 1/2

Six months U.S. dollars

bid 9 1/2	offer 9 5/8

The fixing rates are the arithmetic means, rounded to the nearest one-sixteenth, of the bid and offered rates for $10m quoted by the market to five reference banks at 11 am each working day. The banks are National Westminster Bank, Bank of Tokyo, Deutsche Bank, Banque Nationale de Paris and Morgan Guaranty Trust.

EURO-CURRENCY INTEREST RATES (Market closing rates)

Apr. 4	Sterling	U.S. Dollar	Canadian Dollar	Dutch Guilder	Swiss Franc	D-mark	French Franc	Italian Lira	Belgian Franc Conv.	Belgian Franc Fin.	Yen	Danish Krone
Short-term	13⅛-13⅜	8 11/16-8 13/16	10⅛-10⅜	6¾-6⅞	5¼-3½	5⅝-5¾	10⅝-10¾	15½-14½	10-10¼	10¼-10½	5 13/16-5 15/16	9¾-10⅛
7 day's notice	13⅛-13⅜	8 11/16-8 13/16	10¼-10½	6¾-6⅞	3-3¼	5 11/16-5 13/16	10⅝-10¾	14¼-15¼	10⅛-10⅜	10¼-10½	6 1/16-6 3/16	10-10½
Month	13¼-13⅜	8 13/16-8 15/16	10 5/16-10 7/16	6 7/16-6 9/16	5¼-5⅜	5 13/16-6 1/16	10⅝-10¾	14⅜-14⅞	10¼-10½	10⅜-10½	6⅛-6¼	10¼-10¾
Three months	13 1/16-13 3/16	9-9⅛	10 7/16-10 9/16	6½-6⅝	5⅝-5¾	5 15/16-6 1/16	10⅞-11	14½-15	10¼-10½	10⅜-10½	6 1/16-6 3/16	10⅛-10⅜
Six months	12¾-12⅞	9½-9⅝	10⅝-10⅞	6⅞-7	5⅝-5¾	6 1/16-6 3/16	11 1/16-11 3/16	14⅞-15¼	10⅜-10⅝	10½-10⅝	6 1/16-6 3/16	10⅛-10⅜
One year	12 9/16-12 11/16	10¼-10⅜	10⅞-11⅛	7-7⅛	5 11/16-5 13/16	6 5/16-6 7/16	11⅝-11⅞	15½-15⅞	10⅝-10⅞	10¾-11	6 1/16-6 3/16	10½-11

Asian $ (closing rates in Singapore): Short-term 8½-8⅝ per cent; seven days 8 11/16-8 13/16 per cent; one month 8 13/16-8 15/16 per cent; three months 9-9⅛ per cent; six months 9½-9⅝ per cent; one year 10¼-10⅜ per cent. Long-term Eurodollars: two years 11⅛-11¼ per cent; three years 11⅜-11½ per cent; four years 11¾-12 per cent; five years 12-12¼ per cent nominal. Short-term rates are call for U.S. dollars and Japanese yen; others two days' notice.

COMMODITIES AND AGRICULTURE

WEEKLY PRICE CHANGES

	Latest prices per tonne unless stated	Ch'nge on week	Year ago	1984/85 High	1984/85 Low
METALS					
Aluminium	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]
Free Market c.i.f.	$1125/1145	−5	$1440/1475	[illegible]	$1025/1075
Antimony					
Free Market 99.6%	$3900/3100	+60	[illegible]	[illegible]	$2450/62
Copper-Cash High Grade	£1181.5	−33	£1081.5	[illegible]	£945
3 months Do. Do.	£1207.25	+49.75	£1097.75	[illegible]	£969.75
Gold per oz	$317.75	+2.25	$386.25	$405.75	$284.75
Lead Cash	£332.5	+35	£345.5	£399.5	£269.5
3 months	£327.5	+21.75	£345.25	£387.87	£279.25
Nickel					
Free Market c.i.f. lb	245/275c	+8	218/238c	245/275c	203.22c
Palladium per oz	$112.25	−0.35	$161.25	$162.25	$109.75
Platinum per oz	$271.50	+0.75	$372.75	$411.25	$244.25
Quicksilver (76 lbs)	$265.295		$305/315	$315/318	$265/295
Silver per oz	626.95p	−13.05	670.15p	679.70p	505.60p
3 months per oz	644.70p	−14.10	684.15p	694.40p	522.20p
Tin cash	£9810.5	+148	£8605	£10,227.5	£8570
3 months	£9810	+178	£8697.5	£10,232.5	£8517.5
Tungsten ind.	$77.70	+1.00	$76.35	$89.55	$73.44
Wolfram (22.04 lb)	$74/78	−0.5	$84/88	$86/90	$64/68
Zinc cash	£744	−14.5	£729.5	£844.5	£592.5
3 months	£741.5	−22.75	£706.5	£822.5	£594.5
Producers	$900/940	—	[illegible]	[illegible]	$900
GRAINS					
Barley Futures	£98.60		£106.45	£123.59	£105.65
Maize French	£151.00		£147.00	£154.50	£145.00
WHEAT Futures	£134.30		£127.55	£130.50	£105.55
SPICES					
Cloves			$5,100	$5,500	$4,000
Pepper white			$3,100	$3,680	$2,900
black			$1,900	$2,900	$1,800
OILS					
Coconut (Philippines)	$850z	−10	$1,150	$1,575	$750
Palm Malayan	$685u		$705	$1,000	$550
SEEDS					
Copra (Philippines)	$500y	—	$760	$865	$450
Soyabeans (U.S.)	$351.7x	−0.3	$322	$4582	$236.75
OTHER COMMODOTIES					
Cocoa Futures May	£1945.5	−110.5	£1823.5	£2,266.5	£1638
Coffee Futures May	£2231	−55.5	£2052.5	£2,512	£1,899.5
Cotton Index	‡	—	88.90c	90.10c	66.65c
Des. Coconut	‡	—	£1,360	£1,345	£895
Gas Oil Fut. April	$226.50	−5.75	$249.5	$237.75	$214.25
Jute UJA BWC grade	‡	—	$500	$890	$485
Rubber kilo	65.5p	−0.5	77.75p	91p	58p
Sisal No. 3L	‡	—	$650	$670	$625
Sugar (Raw)	$105xu	—	£118	$194	$92
Tea (quality) kilo	‡	—	296p	375p	257p
(low med) kilo	168p	−20	216p	280p	168p
Wooltops 64s Super	488p kilo	−34	466p kilo	586p kilo	483p kilo

‡ Unquoted. (g) Madagascar. (x) April (y) April-May. (z) March-April. (u) May. (v) May-June. (w) July. (t) Sept.

REVIEW OF THE WEEK

Cash zinc tumbles as supply squeeze eases

BY OUR COMMODITIES STAFF

THE CASH price of zinc tumbles on the London Metal Exchange on Thursday as the squeeze on immediately available supplies slackened. In trading limited to the morning session on Thursday prior to the Easter holiday cash zinc dropped by £57 to £744 a tonne, ending £14.5 down on the week after touching £804 at one stage. Significantly the three months price gained £8 to £741.5 on Thursday, making a gain of £22.75 on the week, on indications that the shortage of zinc supplies is by no means over.

Producers, who put the European zinc producer quotation up by $35 to $960 a tonne, claim that persistent buying by China and the Soviet Union, has helped reduce zinc stocks in the western world to a very low level. As a result the pressure on supplies available to the LME zinc market is expected to resume after the Easter holiday.

A shortage of nearby supplies also boosted lead and nickel prices on Thursday. Cash lead jumped by £19 to £332.5 a tonne, £35 up on the week, moving to a premium over the three months quotation which was £21.75 higher on the week at £327.5 following a rise in U.S. domestic selling prices.

Cash nickel rose by £130 on Thursday to £4,570 a tonne, a rise of £273.5 on the week, also establishing a premium over the three months quotation of £4,519 up £186.5 on the week.

Another decline in warehouse stocks, and the easier trend in the value of sterling, helped copper regain most of the previous week's losses. Aluminium also gained some of the previous losses, although trading was subdued prior to next week's estimate of world stocks movement in February.

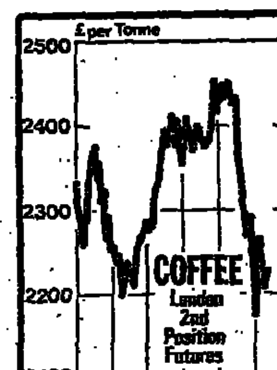
Tin prices advanced as the buffer stock of the International Tin Council forced London values to a premium over the Straits tin price in Kuala Lumpur. As a result Straits tin moved above the International Tin Agreement "floor" price of $M29.15 a kilo (to $M29.47 on Thursday) for the first time since November last year as buying interest was attracted by the cheaper tin available there.

The underlying steadiness which has been a feature of the London cocoa futures market recently began to evaporate this week as concern about a possibly nearby supply squeeze eased.

Taking their lead from the New York market prices began the week on an easier note and sustained further losses before steadying a little on Thursday. The July position ended £41.50 down on the week at £1,945.50 a tonne.

Encouragement to the easier tone was provided by the publication of a market report from influential London trade house Gill & Duffus which supported market expectations of a substantial world production surplus this year. Gill & Duffus raised its estimate of the surplus of 1984-85 output over 1985 consumption to 70,000 tonnes from the 8,000 tonnes it was predicting two months earlier.

Coffee prices were again dominated by currency factors. The market rallied quite sharply on Monday and Tuesday and slipped back on Wednesday



before regaining some ground on Thursday. The July position ended £17.50 up on the week at £2,231 a tonne.

The sugar market was relatively quiet before slipping back later in the week. The London daily raws price ended $3.5 down on the week at $105 a tonne after falling $3 on Thursday.

London traders C. Czarnikow issued a report predicting a 2.14m tonnes rise this year in world stocks, which already stand at around 38m tonnes. But this came as little surprise to the market and had no significant price impact.

OIL

Spot prices for sweet fell 10-20 cents based on reports that BNOC would propose a price of 27.50 for April participation crude. In the petroleum products market Gas oil continued to fall in a very thin market as much dominated by the coming holiday period as the over-supply of oil. Buyers remained relaxed in both North-West Europe and the Mediterranean. Petroleum Argus, London.

SPOT PRICES

	Latest	Change + or −
CRUDE OIL—FOB ($ per barrel)—April		
Arab Light	27.65-27.70	−0.05
Arab Heavy	26.45-26.53	−0.05
Dubai	26.95-27.05	−0.05
Brent Blend	28.25-28.40	−0.125
W.T.I. (1pm est)	28.65-28.70*	−0.10
Forcados (Nigeria)	28.00-28.20	−0.125
Urals (cif NWE)	27.95-28.10	—
PRODUCTS—North West Europe Prompt delivery cif ($ per tonne)		
Premium gasoline	281-285	+2.5
Gas Oil	232-234	−3
Heavy fuel oil	162-165	—

* May

Petroleum Argus estimates

GAS OIL FUTURES

Month	Yest'day's Close	+ or −	Business Done
	$ U.S. per tonne		
April	228.76	−2.00	231.75-29.00
May	226.50	−1.50	227.50-25.75
June	225.50	−1.25	224.00-22.00
July	225.00	−1.25	225.00-22.25
Aug	224.75	−1.25	225.50-25.50
Sep	227.00	−1.00	—
Oct	229.00	−1.00	—

Turnover. 1,031 (1,326) lots of 100 tonnes.

GOLD

Gold fell $1¼ an ounce from Wednesday's close in the London bullion market on Thursday to finish at $317½-318. The metal opened at $316¾-317¼ and traded between a high of $317¾-318¼ and a low of $316-316½. Trading was confined to a little book squaring ahead of the long Easter weekend. The weaker opening reflected an overnight improvement by the dollar.

GOLD BULLION (fine ounce) Apr. 4

Close	$317½-318	(£263¾-264¼)
Opening	$316¾-317¼	(£262¾-263¼)
M'n'g fix.	$317.00	(£263.071)
Aft'n'n fix.	$316.75	(£263.081)

GOLD AND PLATINUM COINS

Kr'g'r'nd.	$325½-326	(£272½-273)
½ Krug.	$167½-168¼	(£140¼-140¾)
¼ Krug.	$85¼-85¾	(£71¼-71¾)
1/10 Krug.	$34¾-35½	(£29-29½)
Mapleleaf	$325¾-326¼	(£272¾-273¼)
New Sov.	$74¾-75¼	(£62½-63)
½ New Sov	$45¼-45¾	(£37¾-38¼)
Old Sov.	$75-76½	(£62¼-63½)
$20 Eagle	$440-480	(£369¼-402¼)

INDICES

FINANCIAL TIMES

April 4	April 3	M'th ago	Year ago
299.48	297.02	295.53	307.23

(Base: July 1 1952 = 100)

REUTERS

Apr. 4	Apr. 3	M'th ago	Year ago
1932.7	1936.3	2030.5	2010.5

(Base: September 18 1931 = 100)

MOODY'S

Apr. 3	Apr. 2	M'th ago	Year ago
956.9	956.2	954.9	1,082.6

(Base: December 31 1931 = 100)

DOW JONES

Dow Jones	Apr. 3	Apr. 2	Month ago	Year ago
Spot	119.37	119.51	117.21	145.06
Fut.	123.15	124.06	120.12	145.61

BASE METALS

COPPER

COPPER	a.m. Official	+ or −	p.m. Unofficial	+ or −
High Grde	£	£	£	£
Cash	1138.5-9.5	+4.5	—	—
3 months	[illegible]	[illegible]	—	—
Settlem't	[illegible]	[illegible]	—	—
Cathodes				
Cash	[illegible]	[illegible]	—	—
3 months	[illegible]	[illegible]	—	—
Settlem't	[illegible]	[illegible]	—	—

Amalgamated Metal Trading reported [illegible]

TIN

TIN	a.m. Official	+ or −	p.m. Unofficial	+ or −
High Grde	£	£	£	£
Cash	[illegible]	[illegible]	—	—
3 months	[illegible]	[illegible]	—	—
Settlem't	[illegible]	[illegible]	—	—
Standard				
Cash	[illegible]	[illegible]	—	—
3 months	[illegible]	[illegible]	—	—
Settlem't	[illegible]	[illegible]	—	—
Straits E.	[illegible]	[illegible]	—	—

Tin—Morning: [illegible] 420 tonnes.

LEAD

LEAD	a.m. Official	+ or −	p.m. Unofficial	+ or −
Cash	[illegible]	[illegible]	—	—
3 months	[illegible]	[illegible]	—	—
Settlem't	[illegible]	[illegible]	—	—

Lead—Morning: [illegible] 19-22 cents a pound.

ZINC

ZINC	a.m. Official	+ or −	p.m. Unofficial	+ or −
Cash	[illegible]	[illegible]	—	—
3 months	[illegible]	[illegible]	—	—
Settlem't	[illegible]	[illegible]	—	—

Zinc—High Grade: [illegible]

ALUMINIUM

Alumn'm	a.m. Official	+ or −	p.m. Unofficial	+ or −
	£	£	£	£
Spot	910.5-11	+12½	—	—
3 months	937.5-8	+11.5	—	—

Aluminium—Morning: [illegible]

NICKEL

NICKEL	a.m. Official	+ or −	p.m. Unofficial	+ or −
Spot	[illegible]	[illegible]	—	—
3 months	[illegible]	[illegible]	—	—

Nickel—Morning: [illegible]

SILVER

Silver was fixed [illegible]

SILVER per troy oz	Bullion fixing price	+ or −	L.M.E. p.m. Unoffic'l	+ or −
Spot	[illegible]	[illegible]	[illegible]	[illegible]
3 months	[illegible]	[illegible]	[illegible]	[illegible]
6 months	[illegible]	[illegible]	[illegible]	[illegible]
12months	[illegible]	[illegible]	[illegible]	[illegible]

LME—Turnover: [illegible]

COCOA

COCOA	Yesterday's Close	+ or −	Business Done
	£ per tonne		
May	[illegible]	[illegible]	[illegible]
July	[illegible]	[illegible]	[illegible]
Sept	[illegible]	[illegible]	[illegible]
Dec	[illegible]	[illegible]	[illegible]
March	[illegible]	[illegible]	[illegible]
May	[illegible]	[illegible]	[illegible]
July	[illegible]	[illegible]	[illegible]

Sales: [illegible] ICCO indicator prices [illegible]

COFFEE

COFFEE	Yesterd'ys Close	+ or −	Business Done
May	2193-95	+25.0	2195-70
July	2230-32	+23.5	2235-08
Sept	2262-63	+19.0	2270-45
Nov	2285-89	+23.5	2295-67
Jan	[illegible]	[illegible]	[illegible]
March	[illegible]	[illegible]	[illegible]
May	[illegible]	[illegible]	[illegible]

Sales: [illegible] ICO indicator prices [illegible]

GRAINS

Mnth	WHEAT Yesterd'ys close	+ or −	BARLEY Yesterd'ys close	+ or −
May	[illegible]	[illegible]	[illegible]	[illegible]
July	[illegible]	[illegible]	[illegible]	[illegible]
Sept	[illegible]	[illegible]	[illegible]	[illegible]
Nov	[illegible]	[illegible]	[illegible]	[illegible]
Jan	[illegible]	[illegible]	[illegible]	[illegible]

LONDON GRAINS—[illegible]

POTATOES

Month	Yesterday's close	Previous close	Business Done
	£ per tonne		
April	40.60	41.10	41.00-40.5
May	49.70	50.60	51.00-49.1
Nov	71.30	70.10	71.30-71.00
Feb	79.60	79.60	80.00
April	[illegible]	[illegible]	[illegible]

Sales: [illegible]

RUBBER

PHYSICALS — The London market opened steadier, [illegible]

COTTON

Spot and shipment sales in Liverpool amounted to [illegible]

SOYABEAN MEAL

	Yesterday close	+ or −	Business Done
April	[illegible]	[illegible]	[illegible]
June	[illegible]	[illegible]	[illegible]
August	[illegible]	[illegible]	[illegible]
October	[illegible]	[illegible]	[illegible]
Dec	[illegible]	[illegible]	[illegible]
Feb	[illegible]	[illegible]	[illegible]

Sales: 97 (532) lots of 20 tonnes.

SUGAR

LONDON DAILY PRICE—Raw sugar $105.00 (£87.00), down $3.00 (down £1.00) a tonne for April/May delivery. White sugar $131.50, up $0.50.

No. 6 Con-tract	Yest'day's close	Previous close	Business done
	$ per tonne		
May	[illegible]	[illegible]	[illegible]
Aug	[illegible]	[illegible]	[illegible]
Oct	[illegible]	[illegible]	[illegible]
Dec	[illegible]	[illegible]	[illegible]
March	[illegible]	[illegible]	[illegible]
May	[illegible]	[illegible]	[illegible]
Aug	[illegible]	[illegible]	[illegible]

Sales: 1,954 (1,272) lots of 50 tonnes. [illegible]

PIGMEAT

Month	Yesterdays close	Previous close	Business done
	p. per kilo (deadweight)		
June	[illegible]	[illegible]	[illegible]
Aug	[illegible]	[illegible]	[illegible]
Oct	[illegible]	[illegible]	[illegible]
Nov	[illegible]	[illegible]	[illegible]
Feb	[illegible]	[illegible]	[illegible]
April	[illegible]	[illegible]	[illegible]

AMERICAN MARKETS

Precious metals evened up ahead of the long weekend lifting off the bottom late in the day, reports Heinold Commodities. Copper firmed late in the session on continued decline in comex stocks. Sugar remained virtually unchanged. Cocoa values remained under pressure on the more favourable expectations for the Brazilian crops. Coffee declined on lack of roaster buying demand and the high level of warehouse stocks in New York. Heating oil prices traded mostly lower but recovered most of the losses before the close on indications that BNOC would tend to trade around the Opec bench marks.

NEW YORK

ALUMINIUM 40,000 lbs, cents/lb

	Close	High	Low	Prev
April	5005	—	—	4970
May	[illegible]	[illegible]	[illegible]	[illegible]
June	[illegible]	[illegible]	[illegible]	[illegible]
July	[illegible]	[illegible]	[illegible]	[illegible]
Sept	[illegible]	[illegible]	[illegible]	[illegible]
Dec	[illegible]	[illegible]	[illegible]	[illegible]
Jan	[illegible]	[illegible]	[illegible]	[illegible]
March	[illegible]	[illegible]	[illegible]	[illegible]
May	[illegible]	[illegible]	[illegible]	[illegible]
July	[illegible]	[illegible]	[illegible]	[illegible]

COCOA 10 tonnes, $/tonnes — [illegible]

COFFEE "C" 37,500 lbs, cents/lb — [illegible]

COPPER 25,000 lbs, cents/lb — [illegible]

COTTON 50,000 lbs, cents/lb — [illegible]

CRUDE OIL (LIGHT) 42,000 U.S. gallons, $/barrel — [illegible]

GOLD 100 troy oz, $/troy oz — [illegible]

HEATING OIL 42,000 U.S. gallons, cents/U.S. gallons — [illegible]

ORANGE JUICE 15,000 lbs, cents/lb — [illegible]

PLATINUM 50 troy oz, $/troy oz

	Close	High	Low	Prev
April	278.0	278.9	268.5	272.4
May	[illegible]	[illegible]	[illegible]	[illegible]
June	[illegible]	[illegible]	[illegible]	[illegible]
July	[illegible]	[illegible]	[illegible]	[illegible]
Oct	[illegible]	[illegible]	[illegible]	[illegible]
Jan	[illegible]	[illegible]	[illegible]	[illegible]
April	[illegible]	[illegible]	[illegible]	[illegible]

SILVER 5,000 troy oz, cents/troy oz — [illegible]

SUGAR WORLD "11" 112,000 lbs, cents/lb — [illegible]

CHICAGO

LIVE CATTLE 40,000 lbs, cents/lb — [illegible]

LIVE HOGS 30,000 lbs, cents/lb — [illegible]

MAIZE 5,000 bu min, cents/56lb-bushel — [illegible]

PORK BELLIES 38,000 lbs, cents/lb — [illegible]

SOYABEANS 5,000 bu min, cents/60lb-bushel — [illegible]

SOYABEAN MEAL 100 tons, $/ton — [illegible]

SOYABEAN OIL 60,000 lbs, cents/lb — [illegible]

WHEAT 5,000 bu min, cents/60lb-bushel — [illegible]

SPOT PRICES—Chicago loose lard [illegible] cents per pound. Handy and Harman silver bullion [illegible]

MARKET REPORT

Holiday influences affect volume but equities end shortened week on brighter note

Account Dealing Dates
Option

*First Dealings	Declarations	Last Dealings	Account Day
Mar 25	Apr 11	Apr 12	Apr 22
Apr 15	Apr 25	Apr 26	May 7
Apr 29	May 9	May 10	May 20

* "New-time" dealings may take place from 9.30 am two business days earlier.

Equity markets staged a technical recovery after the previous day's shake-out and the FT Ordinary share index rebounded 6 points to 962.5. Thursday's opening in London was slightly cautious with last-minute tax-loss selling threatening to extend Wednesday's downturn. These specialised fiscal year operations were soon completed, however, and the tone slowly began to improve.

Holiday considerations had a more pronounced impact on both turnover and attendance, but professional bear-covering together with sporadic investment inquiries kept business ticking over. Blue chip stocks in the main provided few noteworthy features with the exceptions of **Grand Metropolitan** and heavy engineering group **GKN.**

The latter responded strongly to a broker's encouraging circular, which could soon be followed by a recommendation from another broking house. **Grand Metropolitan** rose sharply on talk of a possible end to the recent cigarette price-cutting war in America. Attempted U.S. demand overnight excited traders here and the subsequent buying found stock of GM in short supply.

Probably supporting the better overall feeling in equities was the latest Bank of England quarterly bulletin. This was optimistic on the economy but concerned over the continued high level of bank lending. The hint of official caution about lower interest rates made little impression on either equities or Government stocks.

Sterling came back late in the day on the reduction in North Sea oil prices by BNOC but Gilt-edged securities were little affected by the development. Most traders had already left their offices and prices retained minor losses ranging to ⅛. Low-coupon shorts moved against the trend and shortly after the official 3.30 pm close, the authorities announced further funding via a £500m issue of **Treasury** 3 per cent 1989, payable in full on application at a minimum tender price of £79.

Barclays down

Barclays Bank suffered from persistent small selling and lack of support which lowered the shares 20 to 345p; the new nil-paid shares closed 18 down at 192p. **NatWest** lost 10 to 600p, while revived speculation that **Lloyds'** 21.34 per cent stake in **Royal Bank of Scotland** was up for sale left the former 5 higher at 530p and the latter 2 dearer at 280p, after 282p. **Allied Irish**, a depressed market since the Irish Government's rescue of its **Insurance Corporation of Ireland** subsidiary, remained on offer and finished 6 down at 92p; **Bank of Ireland** softened 5 to 230p in sympathy.

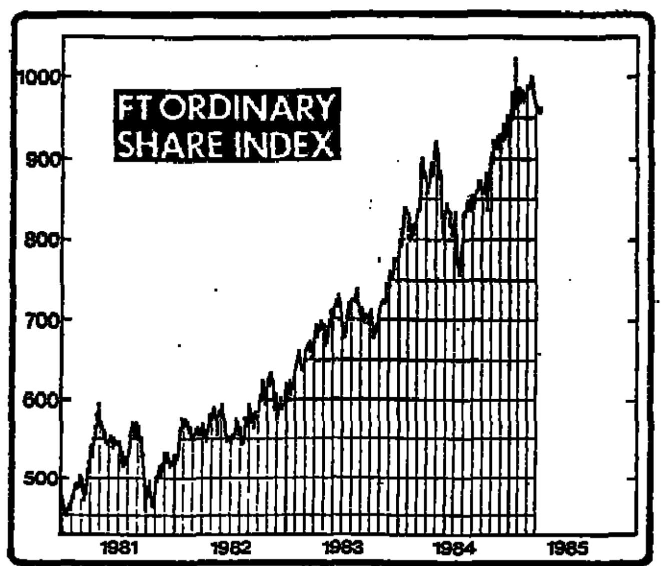
Takeover speculation continued to bolster **Commercial Union**, 2 up at 213p, after 215p, but **GRE** cheapened 3 more to 662p on further consideration of the disappointing annual results. Profit-taking clipped 15 from **Willis Faber**, at 655p, and a couple of pence from **Windsor Securities**, at 88p; the latter still recorded a gain of 8 since Monday's announcement that Lander Investments had increased its stake in the company to nearly 11 per cent.

A drab day in the Building sector left quotations displaying the occasional small loss. **Amec**, however, rallied 5 to 241p after comment on the preliminary figures and **Blockleys**, still reflecting the record annual results, edge up 5 further to 575p for a two-day gain of 35. **Blue Circle** were a steadier market at 485p following Wednesday's setback on worries about the acquisition of Atlantic Cement of America. Dealings were temporarily suspended in **Leyland Paint**, at 33p; it was announced later that the company proposes to merge with Kalon, a private concern.

ICI were a quiet market, but managed a closing gain of 5 at 766p. Share stake news left **Horace Cory** a penny firmer at 49p, but occasional offerings and lack of support prompted a fall of 10 to 202p in **Wardle Storeys.**

Grattan up again

Already a few pence to the good, Mail-orders made further progress following the termination of the postal service dispute. **Freemans** closed 4 to the good at 210p, as did **Empire** at 108p, while **Grattan**, still benefiting from encouraging reports emanating from a broker's lunch, put on 8 for a two-day advance of 14 at 186p. **Harris Queensway** attracted occasional support and firmed 6 to 196p; the preliminary results are expected shortly, but recent favourite **Home Charm** eased a couple of pence to 320p, after 318p. **Bentalls** responded to fresh demand on asset value considerations and improved 8 at 88p. **Leadings Stores** displayed modest gains. **Burton** featured with a rise of 8 at 465p, while **Woolworth** finished a similar amount dearer at 785p.



Hit hard on Wednesday by end-year tax-loss selling, leading Electricals regained composure. **Plessey** rallied 6 to 196p and **GEC** hardened 2 to 180p as did **Racal**, to 198. **Thorn EMI**, however, fell 8 to 398p, still reflecting concern about its Inmos subsidiary. Elsewhere, **Cable and Wireless** rose 10 for a three-day gain of 33 to 535p, since the announcement that a fibre optic cable telecommunication link between Hong Kong and one of China's major cities was under discussion with the Chinese authorities. **Energy Services**, currently in receipt of an unwelcome offer from Peek Holdings, improved 3 afresh to 92p on news that Coast Investment and development of Kuwait had acquired a 5.4 per cent stake. **Druck**, 355p, and **Thermal Scientific**, 270p, advanced 15 and 17 respectively, but **Lec Refrigeration** lost 7 to 263p ahead of Thursday's preliminary results. **Oreonics** dropped 8 more for a fall of 30 on the shortened week to 110p following the unusual move by the group's founders to put the company up for sale.

Interest in the Engineering leaders centred around **GKN** which encountered a relatively brisk trade following a broker's favourable circular and touched 238p before settling 6 to the good at 234p. The majority of secondary issues recorded small losses, but **Ash and Lacy** fell 25p to 380p on the lower annual profits. **Williams Holdings** gave up 7 at 280p and **J. and H. B. Jackson** eased 3 to 117p in sympathy. Against the trend, a flurry of buying activity left **Weeks Associates** 5 higher at 19p, while comment on the preliminary figures brought a rise of 1½ to 24½p in **Senior Engineering.**

Interest in Leading Foods was at a low ebb. **Rowntree Mackintosh** drifted 3 lower to 402p and **J. Sainsbury** cheapened 2 to 320p. Elsewhere, **Glass Glover** remained on offer at 253p, down 10. **Fitch Lovell**, popular of late on takeover speculation, hardened a penny more to 131p in response to Press comment, while **Bassett Foods** added 5 to 180p.

Trust House Forte rallied 4 to 138p following newspaper mention. Elsewhere in Hotels, **Midsummer Inns** firmed 5 to 210p but **Stakis** relinquished 4 at 64p.

Cookson feature again

A slow trading session in the miscellaneous industrial leaders ended with quotations showing small irregular movements. Among secondary stocks, **Cookson** featured again with a fresh rise of 53 to 693p for an advance of 113p since the announcement of bumper preliminary figures and a 100 per cent scrip issue. Further consideration of the Government's proposed sale of its remaining holding in **British Aerospace** prompted a rally of 16 to 428p. Poor annual results left **Sharna Ware** 6 cheaper at 53p, while **TSL Thermal Syndicate**, reflecting further profit-taking, gave up 8 more at 260p.

GR Holdings rose 7 to 235p; the company has announced that subject to the necessary consents it proposes to acquire up to 1m of its ordinary shares within a certain price range. Interest revived in **Inter-City**, 5 to the good at 45p, while fresh speculative support lifted **Times Veneer** 3 to 54p. News of the bid from Leigh Interests left **MJI** 2 dearer at 17½p, after 18½p. **Leigh Securities** eased a penny to 96p. **Aaronson** were quoted ex rights at 97p, with the new nil-paid shares at 15p premium.

Motor sectors rarely strayed from overnight positions with the noteworthy exception of **Lucas Industries** which responded to revived interest and rose 6 at 273p. **AE**, on the other hand, eased a couple of pence to 148p in belated reaction to "take-profits" advice.

Saatchi and Saatchi were resilient and fell only 5 to 875p, after 870p, following the substantial rights issue and proposed acquisition of U.S. sales promotion and design consultancies Howard Marlboro and Siegel and Gale.

Speyhawk were a bright feature in Properties, rising 13 to 250p after renewed speculative demand in a restricted market on takeover hopes. **C. H. Beazer** rose 6 to 414p, while **Stockley** added 3 to 73p on the results.

P & O Deferred, down on Wednesday following the disclosure of an 8.03 per cent stake in takeover favourite **Ocean Transport**, rallied 9 to 347p; Ocean eased the turn to 189p. Elsewhere in Shippings, the liquidation of bull positions clipped 5 from **Milford Docks** at 55p, but **Common Bros**, recently in receipt of favourable newsletter comment, attracted after-hours interest and advanced 8 to 78p.

With the exception of **Dawson International**, a couple of pence to the good at 280p following publicity given to a broker's circular, leading Textiles showed scant alteration. Elsewhere, **Robert H. Lowe** were volatile: down to 18p in initial trading, the shares rallied to settle 3 dearer on balance at 23p as the encouraging trading outlook outweighed the anticipated poor full-year figures.

Tricentrol advance

An eventful week in Oils closed with recent takeover favourite **Tricentrol** continuing to hold centre-stage. The shares raced ahead to 255p initially amid strong rumours that the near-5 per cent stake in the company held until recently by jobbers Akroyd and Smithers had been acquired by brokers James Capel on behalf of Enterprise Oil prior to a full-scale takeover bid. The absence of any developments during the day led to widespread profit-taking in Tricentrol which subsequently fell back to 247p before improving late to close the session a net 15 higher at 250p—a week's gain of 17. **Enterprise Oil** edged up a couple of pence to 202p.

LASMO attracted sustained support following generally favourable Press comment on the preliminary results and proposed £67.3m rights issue, announced on Wednesday, and rallied 7 to 337p, leaving the shares only 13 cheaper on the week. Reports late in the day that BNOC has proposed a $1.15 cut to $27.50 a barrel for Brent crude for April delivery had little effect on sentiment among leading issues. **BP** were finally 3 cheaper at 542p, as were **Shell**, at 720p.

Secondary oils provided a firm feature in **Aberdeen American Petroleum**, which jumped 18 more to a peak of 146p following strong bid rumours.

Far-Eastern support prompted some worthwhile gains among Plantations. **Consolidated Plantations** advanced 4 to 106p, while **Highlands** firmed a like amount to 88p, and **Kuala Lumpur Kepong** hardened 2 to 96p.

Golds easier

A more sedate performance by foreign exchange markets tended to dampen enthusiasm in bullion markets in the run up to Easter. The metal price slipped back on a marginally firmer dollar to close $1.5 easier at $317.75 an ounce yesterday, for a week's decline of $12.25.

Mining markets performed similarly. Overnight American support was effectively offset by initial dullness in gold in London and share price tended to drift easier during early trading owing to lack of interest. Selling pressure, however, was generally negligible and many issues steadied up in afternoon trading to close well above their lowest levels. A handful of Golds moved against the general trend, most notably **Winkelhaak** which improved a further £1¼ to £29¾, reflecting a stock shortage. The majority, however, posted falls in the region of ¼ to ½, as in **Driefontein**, £22½, **Free State Geduld**, £23¾, and **St Helena** £13¾.

South African Financials also failed to attract any significant business but "**Amgold**" came under selling pressure to settle £1½ off at £72½. **Gold Fields of South Africa** eased a shade to £13¾.

Rio Tinto-Zinc remained out of favour in a subdued UK Financials sector; the shares lost ground for the fourth successive session to close 2 off on the day and 22 cheaper on the week at 638p, ahead of preliminary figures scheduled for April 17.

Good gains in Sydney and Melbourne overnight helped leading "down-under" issues move ahead. Rises of around 5 or 6 were common to **CRA**, 338p, **MIM Holdings**, 186p, **North Broken Hill**, 140p, **Peko-Wallsend**, 230p and **Western Mining**, 225p, while recently-firm **Bougainville** hardened 3 more to 133p.

Golds remained erratic, however. **Central Norsemen** touched 423p before closing a net 5 better at 418p, but **Whim Creek** ended 10 lower at 154p and **Kitchener** 5 down at 90p. **Metramar** attracted profit-taking and retreated 6 to 52p in the absence of any takeover developments.

Traded Option volume decreased slightly with 5,653 contracts done. The short week's daily average amounted to only 5,096, although this was still well in excess of the meagre average off 2,989 recorded in the pre-Easter week in 1984. Business transacted was, however, well distributed among those stocks in issue. **Grand Metropolitan** were lively reflecting sizeable activity in the underlying shares and recorded 473 calls and 335 puts. **Marks and Spencer** attracted 364 calls, while on the put front, **Barclays** recorded 298 contracts.

FINANCIAL TIMES STOCK INDICES

	Apr. 4	Apr. 3	Apr. 2	Apr. 1	Mar. 29	Mar. 28	year ago
Government Secs.	81.76	80.85	80.87	80.95	81.21	81.10	82.81
Fixed Interest	85.46	84.45	85.46	86.49	85.53	85.57	86.62
Ordinary	962.5	956.5	969.4	963.8	964.3	978.1	867.0
Gold Mines	509.3	514.4	506.2	507.5	515.2	506.3	655.4
Ord. Div. Yield	4.73	4.74	4.68	4.70	4.71	4.64	4.41
Earnings, Yld.% (full)	11.85	11.89	11.72	11.71	11.70	11.53	9.93
P/E Ratio (net) (*)	10.28	10.25	10.39	10.41	10.45	10.58	12.10
Total bargains (Est.)	25,761	26,906	23,412	29,777	35,813	28,687	32,420
Equity turnover £m.	—	390.51	426.65	280.67	335.41	456.00	283.01
Equity bargains	—	27,660	26,969	25,461	22,597	23,527	26,975
Shares traded (ml)	—	191.6	194.7	158.4	187.6	237.7	178.8

10 am 954.7, 11 am 961.4, Noon 963.2, 1 pm 962.5.
2 pm 962.5, 3 pm 962.0.

Basis 100 Govt. Secs. 15/10/26. Fixed Int. 1928. Ordinary 1/7/35. Gold Mines 12/9/55. SE Activity 1974.

Latest Index 01-246 8026.

*Nil=9.98.

HIGHS AND LOWS

—	1984/85 High	1984/85 Low	Since Compilat'n High	Since Compilat'n Low
Govt. Secs.	83.77 (9/1/84)	74.72 (30/7/84)	127.4 (9/1/35)	49.18 (3/1/75)
Fixed Int.	87.48 (14/5/84)	80.43 (30/7/84)	150.4 (28/11/47)	50.53 (3/1/75)
Ordinary	1024.5 (22/1/85)	755.3 (23/7/84)	1024.5 (22/1/85)	49.4 (26/6/40)
Gold Mines	711.7 (3/5/84)	439.5 (25/1/85)	734.7 (15/2/83)	43.5 (26/10/71)

S.E. ACTIVITY INDICES

	Apr. 3	Apr. 2
Daily		
Gilt Edged Bargains	144.2	146.6
Equities Bargains	179.2	174.7
Value	789.3	852.4
5day Average		
Gilt Edged Bargains	153.3	156.7
Equities Bargains	163.6	158.8
Value	763.8	755.2

LEADERS AND LAGGARDS

Percentage changes since December 31 1984, based on Thursday April 4 1985

Shipping and Transport	+19.51	Financial Group	+ 4.14
Telephone Networks	+18.99	Investment Trusts	+ 4.05
Newspapers, Publishing	+18.78	Chemicals	+ 4.03
Insurance (Life)	+16.66	All-Share Index	+ 3.84
Metals and Metal Forming	+15.53	500 Share Index	+ 3.68
Motors	+13.51	Merchant Banks	+ 3.67
Office Equipment	+13.29	Industrial Group	+ 2.67
Insurance Brokers	+11.34	Food Manufacturing	+ 2.12
Other Industrial Materials	+10.67	Consumer Group	+ 1.94
Other Groups	+10.66	Brewers and Distillers	− 0.37
Oils	+10.29	Tobaccos	− 1.26
Insurance (Composite)	+ 8.76	Banks	− 1.33
Mechanical Engineering	+ 8.72	Property	− 2.08
Mining Finance	+ 8.19	Electricals	− 2.40
Packaging and Paper	+ 6.85	Health and H'sehold Products	− 3.10
Stores	+ 6.85	Capital Goods	− 3.24
Textiles	+ 6.78	Leisure	− 5.32
Gold Mines Index	+ 6.35	Building Materials	− 3.71
Overseas Traders	+ 4.72	Contracting, Construction	− 5.10
Food Retailing	+ 4.32	Electronics	−15.70

OPTIONS

First Dealings	Last Dealings	Last Declaration	For Settlement
Apr 1	Apr 19	July 11	July 22
Apr 22	May 3	July 25	Aug 5
May 7	May 17	Aug 8	Aug 19

For rate indications see end of Share Information Service

Call options were taken out in Jantar, Inter-City, Tricentrol, New London Oil, Commercial Union, Sandhurst Marketing, Debenhams, Riley Leisure, CPU Computers, Blue Circle Industries, Norfolk Capital, Clyde Petroleum, Jackson Exploration, Olives Paper Mill, Premier Oil, Dobson Park Industries, Southwest Resources, Brengreen and Spear and Jackson. Puts were done in G. M. Firth and S. W. Farmer, while a double was arranged in Riley Leisure.

FT-ACTUARIES SHARE INDICES

These Indices are the joint compilation of the Financial Times, The Institute of Actuaries and the Faculty of Actuaries

EQUITY GROUPS & SUB-SECTIONS

Figures in parentheses show number of stocks per section

EQUITY GROUPS & SUB-SECTIONS	Thur April 4 1985 Index No.	Day's Change %	Est. Earnings Yield % (Max.)	Gross Div. Yield % (ACT at 30%)	Est. P/E Ratio (Net)	Wed April 3 Index No.	Tues April 2 Index No.	Mon April 1 Index No.	Fri March 29 Index No.	Year ago (approx.) Index No.	1984-85 High		1984-85 Low		Since Compilation High		Since Compilation Low	
1–61	[illegible]																	
62 Banks (6)	432.66	−2.0	17.63	7.92	7.84	441.40	447.72	444.90	441.21	395.91	482.64	8/2/85	336.01	31/5/84	482.64	8/2/85	62.44	12/12/74
65 Insurance (Life) (8)	680.28	—	—	4.59	—	680.37	688.38	681.75	674.23	487.71	693.10	27/3/85	443.08	31/5/84	693.10	27/3/85	44.88	2/1/75
66 Insurance (Composite) (7)	338.80	—	—	5.76	—	338.69	347.09	343.86	340.75	281.50	347.37	22/3/85	247.22	3/1/84	347.37	22/3/85	43.96	13/12/74
67 Insurance (Brokers) (7)	1147.47	−0.9	7.50	3.46	17.77	1157.58	1174.21	1173.24	1161.79	750.85	1248.70	15/3/85	610.72	1/3/84	1248.70	15/3/85	65.86	16/12/74
68 Merchant Banks (11)	230.39	+0.3	—	4.15	—	229.78	230.66	227.81	227.88	248.61	251.54	11/4/84	184.10	24/7/84	278.57	1/5/72	31.21	7/1/75
69 Property (50)	627.12	−0.4	5.65	3.65	23.47	629.75	634.32	636.90	634.72	569.96	648.74	19/12/84	520.77	10/2/84	648.74	19/12/84	56.01	20/4/65
70 Other Financial (26)	286.29	−0.4	8.14	5.66	14.80	287.58	286.03	285.78	284.91	265.67	296.92	6/2/85	224.07	24/7/84	303.18	18/5/72	33.29	17/12/74
71 Investment Trusts (106)	594.48	−0.2	—	3.34	—	595.51	600.58	598.34	596.30	517.08	635.62	7/3/85	457.91	1/6/84	635.62	7/3/85	71.12	13/12/74
81 Mining Finance (4)	296.29	−0.1	9.69	5.13	13.15	296.62	296.92	298.15	302.40	328.70	337.57	10/4/84	250.14	24/7/84	337.57	10/4/84	66.31	30/9/74
91 Overseas Traders (14)	654.91	−0.2	9.60	6.36	12.91	656.21	656.86	653.65	655.96	578.94	687.15	22/1/85	485.16	12/7/84	687.15	22/1/85	97.37	6/1/75
99 ALL-SHARE INDEX (739)	615.70	—	—	4.53	—	615.51	620.15	616.59	616.26	519.08	630.16	15/3/85	464.84	24/7/84	630.16	15/3/85	61.92	13/12/74

	Index No.	Day's Change	Day's High	Day's Low													
FT-SE 100 SHARE INDEX	1278.5	+3.7	1278.5	1273.0	—	1274.8	1286.8	1278.3	1277.0	1093.60	1309.9	15/3/85	986.9	23/7/84	1309.9	15/3/85	986.9	23/7/84

FIXED INTEREST

PRICE INDICES	Thur April 4	Day's change %	Wed April 3	xd adj. today	xd adj. 1985 to date
British Government					
1 5 years	116.42	+0.14	116.26	—	3.17
2 5-15 years	127.82	−0.09	127.93	—	3.45
3 Over 15 years	135.47	−0.06	135.55	—	2.03
4 Irredeemables	148.05	—	148.05	—	1.62
5 All stocks	126.75	—	126.76	—	3.17
6 Debentures & Loans	109.20	−0.08	109.29	—	2.39
7 Preference	77.19	—	77.19	—	2.15
BRITISH GOVERNMENT INDEX-LINKED STOCKS					
8 All stocks	109.82	+0.03	109.78	—	0.78

AVERAGE GROSS REDEMPTION YIELDS		Thur April 4	Wed April 3	Year ago (approx.)	1984 Highs		1984 Lows	
British Government								
1 Low Coupons	5 years	10.87	10.85	9.96	12.02	30/7/84	9.24	17/1/84
2	15 years	10.74	10.71	10.10	11.65	30/7/84	9.88	9/1/84
3	25 years	10.27	10.25	9.73	10.98	23/7/84	9.63	9/1/84
4 Medium Coupons	5 years	11.75	11.72	10.61	13.13	30/7/84	10.49	13/3/84
5	15 years	11.06	11.02	10.58	12.20	30/7/84	10.41	9/1/84
6	25 years	10.48	10.45	10.04	11.53	23/7/84	9.87	9/1/84
7 High Coupons	5 years	11.84	11.81	10.74	13.18	30/7/84	10.62	6/3/84
8	15 years	11.21	11.17	10.72	12.30	30/7/84	10.61	13/3/84
9	25 years	10.59	10.56	10.12	11.40	23/7/84	9.98	9/1/84
10 Irredeemables †		10.08	10.06	9.67	10.84	30/7/84	9.54	12/11/84
11 Debs & Loans	5 years	12.06	12.05	11.33	12.99	1/8/84	11.18	22/3/84
12	15 years	11.79	11.77	11.37	13.04	31/7/84	11.29	29/3/84
13	25 years	11.60	11.59	11.37	13.10	12/7/84	11.29	29/3/84
14 Preference †		12.70	12.70	12.79	13.44	17/7/84	11.90	7/3/84
15 Inflation rate	5%	3.40	3.40	3.30	4.02	30/7/84	3.11	11/3/85
16	10%	3.23	3.22	3.12	3.82	30/7/84	2.94	11/3/85

Equity section or group	Base date	Base value	Equity section or group	Base date	Base value
Telephone Networks	30/11/84	517.92	Food Manufacturing	29/12/67	114.13
Electronics	30/12/83	1646.65	Food Retailing	29/12/67	114.13
Other Industrial Materials	31/12/80	287.41	Insurance Brokers	29/12/67	96.67
Health/Household Products	30/12/77	261.77	Mining Finance	29/12/67	100.00
Other Groups	31/12/74	63.75	All Other	10/04/62	100.00
Overseas Traders	31/12/74	100.00	British Government	31/12/75	100.00
Mechanical Engineering	31/12/71	153.84	Do. Index-linked	30/04/82	100.00
Office Equipment	16/01/70	162.74	Debs. & Loans	31/12/77	100.00
Industrial Group	31/12/70	128.20	Preference	31/12/77	76.72
Other Financial	31/12/70	128.06	FT-SE 100 Index	30/12/83	1000.00

† Flat yield. A list of the constituents is available from the Publishers, the Financial Times, Bracken House, Cannon Street, London, EC4, price 15p, by post 28p.

CONSTITUENT CHANGES:— Pauls (46) has been deleted and replaced by Spring Ram (2).

NEW HIGHS AND LOWS FOR 1984/85

NEW HIGHS (29)

BRITISH FUNDS (2): Treas. 3pc 2983, Exchqr. 2½pc 1987
STORES (5): Bentalls, Freemans, Menzies (J.), Share Drug, Time Products
ELECTRICALS (3): Druck Hldgs., Scholes (G. H.), Thermal Scientific
ENGINEERING (3): Meggitt, Planet, United Spring
FOODS (1): Iceland Frozen Foods
INDUSTRIALS (7): Appledore (A. & P.), BETEC, Bridgende Processess, Cookson, Newman Inds., Siebe, The Times Veneer
LEISURE (1): First Leisure
PROPERTY (3): Speyhawk, Towngrade Secs., Warner Estate
TEXTILES (1): Crowther (J.)
OILS (2): Aberdeen Am. Pet., Tricentrol
MINES (1): Tara Explrtn.

NEW LOWS (33)

AMERICANS (2): Home Federal, Imatron
CANADIANS (2): Bow Valley, Hudson's Bay
BANKS (2): Allied Irish, Nat. Australia Bank
BUILDINGS (1): Sellway
ELECTRICALS (7): A. & G. Sec. Elects., BSR Internatl, Forward Technology, Lec Refrigeration, Security Centres, Vitatron, Wordplex
ENGINEERING (2): Ash & Lacy, Barbican
FOODS (3): Slaters Food, Squirrel Horn, Whitworth's Food
INDUSTRIALS (4): Brengreen, Clarke (Clement), Sharna Ware, Whitecroft
LEISURE (1): TSW
PROPERTY (3): Cons. Tern Invs., Lond. Manch. Secs., Parkdale Hldgs.
TEXTILES (1): Lowe (Robt. H.)
OILS (3): Carless Capel, Oliver Prospctg. Mng., Ranger Oil
MINES (2): Enterprise Gold, Indian Ocean Res. '82

RISES AND FALLS

	Thursday Rises	Thursday Falls	Thursday Same	On the week Rises	On the week Falls	On the week Same
British Funds	14	46	47	57	208	163
Corpns. Dom. and Foreign Bonds	6	10	58	24	41	231
Industrials	194	341	908	929	1,360	3,485
Financial and Props.	64	157	324	375	549	1,260
Oils	23	21	80	87	125	284
Plantations	6	0	11	10	10	48
Mines	28	54	97	142	217	352
Others	84	59	76	343	237	289
Totals	419	688	1,601	1,973	2,747	6,112

ACTIVE STOCKS

Above average activity was noted in the following stocks Thursday

Stock	Closing price	Day's change	Stock	Closing price	Day's change
Aberdeen Am Pet	146	+18	GKN	234	+ 6
Barclays	345	−20	Ocean Transport	189	− 1
Commercial Union	213	+ 2	Plessey	196	+ 6
Cookson	693	+53	Royal Insurance	535	+ 2
Falcon Resources	484	+23	Sun Alliance	455	− 5
Grand Metropolitan	295	+10	Tricentrol	250	+15

WEDNESDAY'S ACTIVE STOCKS

Based on bargains recorded in SE Official List

Stock	No. of changes	Wed. close	Day's change	Stock	No. of changes	Wed. close	Day's change
Cookson	34	640	+65	Cory (Horace)	15	48	− 4
ICI	19	761	−10	Racal Elects	15	198	−10
Blagden Indst	17	115	—	Cable and Wire	14	525	+10
RTZ	17	640	− 3	Ocean Trans	14	190	− 1
BTR	16	690	−10	Ultramar	14	243	—
Blue Circle	16	488	−29	BAT Inds	13	340	+ 5
Brit Aerospace	15	412	−18	Falcon Res	13	435	−15

†New

4-DAY ACTIVE STOCKS

Based on bargains over the four-day period ending Wednesday

Stock	No. of changes	Last Thurs. close	Change on week	Stock	No. of changes	Last Thurs. close	Change on week
ICI	98	761	−12	BTR	68	680	−12
BP	79	545	+ 5	Cookson	66	640	+63
BAT Inds	78	340	+14	Comm Union	65	211	+ 5
Cable and Wre	76	525	+10	Sedgwick	64	363	−15
Glaxo	73	£10⅝	− ⅛	RTZ	63	640	−23
Shell Trans	73	723	+23	Brit Telecom	61	141	− 3
Brit Aerospace	70	412	− 2	Thorn EMI	61	406	+10

RECENT ISSUES

EQUITIES

Issue price	Amount paid up	Latest Renunc. date	1984/85 High	1984/85 Low	Stock	Closing price	+or−	Net Div.	Times covered	Gross Yield	P/E Ratio
[illegible]											

FIXED INTEREST STOCKS

Issue price £	Amount paid up	Latest Renunc. date	1984/85 High	1984/85 Low	Stock	Closing price £	+or−
[illegible]							

RIGHTS OFFERS

Issue price	Amount paid up	Latest Renunc. date	1984/85 High	1984/85 Low	Stock	Closing price	+or−
[illegible]							

Renunciation date usually last day for dealing free of stamp duty. b Figures based on prospectus estimates. d Dividend rate paid or payable on part of capital, cover based on dividend on full capital. g Assumed dividend and yield. u Forecast dividend cover based on previous year's earnings. F Dividend and yield based on prospectus or other official estimates for 1986. H Dividend and yield based on prospectus or other official estimates for 1984. Q Gross. p Pence unless otherwise indicated. ¶ Issued by tender. ‖ Offered holders of ordinary shares as a "rights." ** Issued by way of capitalisation. §§ Reintroduced. ¶¶ Issued in connection with reorganisation merger or takeover. ■ Allotment letters or fully-paid. ◆ Introduction. □ Unlisted Securities Market. † Placing price. * Figures assumed. †† Official London Listing. ‡‡ Dealt in under Rule 535(3). † Comprising 100 Prf and one Pig. share. O Figure or report awaited. ‡ Units comprising 5 Ord., 1 Warrant and £250 nominal of conv. stock.

STOCK EXCHANGE DEALINGS

Details of business done shown below have been taken with consent from last Thursday's Stock Exchange Official List and should not be reproduced without permission.

Details relate to those securities not included in the FT Share Information Services.

Unless otherwise indicated, denominations are 25p and prices are in pence. The prices are those at which the business was done in the 24 hours up to 3.30 pm on Thursday and settled through the Stock Exchange Talisman system; they are not in order of execution but in ascending order which denotes the day's highest and lowest dealing prices.

For those securities in which no business was recorded in Wednesday's Official List, the latest recorded business in the three previous days is given with the relevant date.

‡ Bargains at special prices. ⊕ Bargains done the previous day. ΔBargains done with non-member or executed in overseas markets.

STERLING ISSUES BY FOREIGN GOVTS. AND INTNL. INSTITUTIONS

CORPORATION AND COUNTY

UK PUBLIC BOARDS

FOREIGN STOCKS

(coupons payable in London)

CORPORATIONS—FOREIGN

STERLING ISSUES BY OVERSEAS BORROWERS

BANKS, DISCOUNT

BREWERIES

International Dists. and Vintners 8½pcLn 1987-92 £82 (29/3)
Macdonald Martin Dists. B 850
Mansfield (£1) 383
Marston Thompson and Evershed 7pcLn 1993-98 £65 (2/4)
Scottish Newcastle Brews. 5½pcPf (£1) 46. 7¼pcPf (£1) 65 (1/4). 6pc1stDb 1984-89 £81 ½ (1/4). 7¼pc1stDb 1989-1994 £77 (1/4)
Seagram Dists. 12¼pcDb 2012 £106¼
Shrewsbury and Wem 4pc1stDb £30⊕
South African Brews. 6.2pcPf (R2) 25 (1/4). 7pcPf (£1) 15⊕

COMMERCIAL, INDUSTRIAL

A—B

C—D

Cadbury Schweppes 3½pc1stPrf (£1) 42½. 8¼pc1stMtgDb 1994-2004 £76. 9pc1stMtgDb 1988-93 £88¼
Callyns 6½pc1stPrf (£1) 47. 10pcPrf (£1) 95
Cantors (20p) 81
Cape Indus 7¼pcDb 1986-89 £96. 7¼pcLn 1986-91 £83 (2/4)
Carclo Engr 10pcnvPf (£1) 253 7 (2/4)
Carlton Ind 9½pcLn 1986-91 £87 (2/4)
Carpets Int 8¼pcDb 1992-97 £65½ (1/4). 10pcDb 1992-97 £73 (29/3)
Carrington Viyella 4.55pcPf (£1) 52½. 5.6pcPrf (£1) 63. 4.2pcDb 1984-89 £82. £73½. 7pcDb 1984-89 £82
Cavenham 4½pc1stPf (£1) 33½ (2/4). 6½pc

E—F

G—H

Hickson Intl 8½pcLn 1989-94 £78½
Hill and Smith Hldgs 14pc1stDb 2000-03 £107
Hillsdown Hldgs (10p) 152 3 ½ 4 5 6 7 8 60
Hoechst Ag (DM50) DM208 (2/4)
Home Counties Newspapers Hldgs 147 9 (2/4)
Hopkinson Hldgs 5.25pcPf (£1) 54 (2/4)
Horne Bros 7¾pcLn 1995-2000 £71½
House of Fraser 8¼pcLn 1993-98 £76¼ ½ ¾ 7
Howard and Wyndham 18pcLn 1976-91 £94
Humphries Hldgs 27 9 (2/4)

I—J—K

ICL 6¼pcDb 1981-86 £93¼ 4 7:64: 15/64: (2/4)
IMI 5½pcLn 2001-06 £52 (1/4). 7¼pcLn 1986-91 £76½. 7¾pcLn 1988-93 £77½ 8 (1/4). 8pcLn 1985-90 £85 (1/4)
Illingworth, Morris 6½pcPf (£1) 48 (2/4). 6½pc2ndPf (£1) 48 (1/4)
Imperial Chemical Indus 5½pcLn 1994-2004 £55¾ 6 ½. 7¾pcLn 1986-91

L—M

N—O—P

Pegler-Hattersley 5½pcPf (£1) 38 (2/4). 7pcLn 1989-94 £69 (2/4). 13½pcLn 1998 £113 (1/4)
Pentos Dfd (20p) 73 (2/4)
Perkin-Elmer 4pcLn 1980-88 £225
Pfizer ($0.11 1/9) $42¼
Phicom 8pcPf (£1) 128
Photax (London) 11pcPf (£1) 75 (1/4)
Pitman 10pcPf (£1) 89 90 (1/4)
Pittard Group 9½pcPf (£1) 89 (29/3)
Pleasurama 7pcPf (£1) 114 5 6
Plessey 7¼pcDb 1992-97 £74½ 5
Polly Peck Intnl 6pcPf (£1) 87 (2/4)
Portals Hldgs 9½pcLn 1994-2000 £146 7 8 9
Portland Hldgs ($Z0.50) 3
Powell Duffryn 4½pcPf (50p) 19½ (2/4). 6½pcDb 1984-89 £82½ (29/4)
Pratt (F.) Engg 7¼pcLn 1987-92 £69 (2/4)
Press Tools (10p) 55 (1/4)

Q—R—S

Quick (H. J.) Grp 10pcPf (£1) 95 (1/4)
Quotron Systems ($0.10) £9.85 (1/4)
R.E.A. Hldgs Wts 93 (29/3). 9pcPf (£1) ½ 95½ (1/4). 13¼pcLn 1987-90 £97
RFD Group 5½pcPf (£1) 40 (29/3)
RHP 7pcCPf (£1) 55½ (28/3)
Racal Electronics 7pcLn 2004-19 £107 1½
Rank Org 6¼pcPf (£1) 54. 8pc2ndPf (£1) 67 (1/4). 5½pcLn 1990-95 £62. 8pcLn 1988-93 £79½ (2/4). 10½pcLn 1997-2002 £85: 6 ½ ¾ 7¼ ½
Rank Precision Inds 7¼pcDb 1986-91 £80 (1/4)
Ranks Hovis McDougall 6pcAPf (£1) 50. 6pcBPf (£1) 50 (1/4). 6½pcLn 1985-88 £81¼. 6½pcLn 1983-88 £84. 7½pcLn 1981-86 £96. 8¼pcLn 1990-94 £79½ ¼ (2/4). 8¼pcLn 1991-95 £83 ½ 2 ¼
Ransomes Sims Jefferies 5½pcPf (£1) 38 (29/3)
Ratcliffe (F. S.) Inds 60

T—U—V

Unigate 4½pcPf (£1) 37 (29/3). 5pcPf (£1) 49. 5⅝pcDb 1983-88 £83¾ (29/3). 6½pcLn 1951-96 £65 ½. 6½pc Ln 1992-97 £65
Unilever 5pc1stPf (£1) 40. 7pc1stPf (£1) 60 (29/3). 6¼pcDb 1985-88 £86. 5½pcLn 1991-2006 £52½. 7¾pcLn 1991-2006 £71¼ 2 ¼ ½ ¾
Unilever 4pcPf (Fl 12) 40
Union International 6pcPf (£1) 42 ½. 7pcPf (£1) 51½ (2/4)
Uniroyal 5pc2ndPf (£1) 32
United Biscuits (Hldgs) Warrants 49 50¼ 2. 8pcDb 1993-98 £78 (1/4). 5¼pcLn 2003-08 £49½ (2/4)
United Gas Industries 10½pcLn 1998-2003 £84 (1/4)
Vantona Viyella 4.9pcPf (£1) 56
Vickers 5pcPf (£1) 56½. 5pc (Tax Free to 30p) Pf (£1) 57½ 8 ½ 9 (2/4)
Victor Products 10pcPf (£1) 93 (2/4)
Victoria Carpet Hldgs 40 1 ½

W—Y—Z

Waddington (J.) 6pcPf (£1) 50 (29/3)
Walker & Staff Hldgs (5p) 37
Walker (T.) (5p) 18 20
Warehouse Group 350 (29/3)
Watson (R. Kelvin) 10.5pcPf (£1) 92¼⊕
Waverley Cameron 85 8 (2/4)
Weir Group 10pcPf (£1) 103½
Wellman 10pcPf (£1) 81
West Bromwich Spring 11.5pcPf (£1) 65 (1/4)
Westland 7¼pcDb 1987-92 £80¼⊕
Westwood Dawes 6 (12½p) 24
Whitecroft 4.1pcPf (£1) 48 (29/3)
Wigfall (H.) & Son 7pcPf (£1) (Fp/PAL 12/4/85) 98½ 100 ½
Wiggins Teape (UK) 6¾pc2ndDb 1981-1986 £93¼
Wilkinson & Riddell (Hldgs) 5pcPf (£1) (Tax Free to 30p) 51 (2/4)
Wilson (Connolly) Hldgs 10½pc2ndPf (£1) 109½ (2/4)
Wire & Plastic Prods (10p) 36

FINANCIAL TRUSTS

INSURANCE

INVESTMENT TRUSTS

UNIT TRUSTS

MINES—MISCELLANEOUS

MINES—SOUTH AFRICAN

OIL

PROPERTY

PLANTATIONS

RAILWAYS

SHIPPING

UTILITIES

WATERWORKS

UNLISTED SECURITIES MARKET

RULE 535 (2)

Applications granted for specific bargains in securities not listed on any exchange

Canada North-West (Aust) Oil
Central Norseman Gold 420 (1/4)
Charter Mng 1 (2/4)
Cheung Kong (Hldgs) 158½⊕
Cheyenne Res 4
Cigna Corp £40½ (1/4)
Coca-Cola £55¾⊕
Coles (G. J.) 203 5
Comdial Corp 225⊕
Commodore Intnl 815⊕ 3 (29/3)
Computervision Corp £13½
Conex Aust 2½
Consid-Bathurst Cl A 950 (1/4)
Consumers Power 512½⊕ (24/3)
CSR New (all pd) 390
CSR New (A$0.50pd) 97
Daimler-Benz (DM50) £175¼⊕ 175.55
Deere £24½ (1/4)
Denison Mines Cl A N-V 662½ (2/4)
Denison Mines Cl B N-V 637½ (2/4)
Devpt Bank of Singapore 220⊕ 9 (2/4)
Digital Equipment £82¾⊕
Dome Mines 775 (29/3)
Dresdner Bank DM190⊕ (2/4)
Dunlop Olympic 125 (2/4)
East Coast Minerals 3

RULE 535 (4) (a)

Bargains marked in securities where principal market is outside the UK and Republic of Ireland. Quotation has not been granted in London and dealings are not recorded in the Official List

Rangers FC (£1) ... N-V (10p) 22 (29/3). Var rate pty 130
Red Rose Radio (10p) 25 (29/3). A (29/3)
Sinclair Res £10.00 (3/4)
Southern Newspapers (£1) 191 3 (1/4). New (£1) 190 3½ 5 (3/4)
Star Offshore Services (50p) 34 (3/4)
South Quay Invs (£1) 120 (2/4)
Taddle Invs (10p) 17 (2/4)
Utd Trust and Credit (£1) 280 7 90 (2/4)
Weetabix A N-V 125 6 (2/4)
Welsh Inds Inv Tst (5p) 25 6 (3/4)

RULE 535 (3)

Dealings for approved companies engaged solely in mineral exploration

Kenmare Oil Expl (Ir25p) 6 (2/4)

(By permission of The Stock Exchange Council)

LONDON TRADED OPTIONS

Option		Calls Apr.	Calls Jly.	Calls Oct.	Puts Apr.	Puts Jly.	Puts Oct.
B.P. (*543)	460	87	102	113	1½	4	8
	500	50	67	78	3	7	18
	550	12	28	45	22	27	35
	600	2	15	27	65	67	72
Cons. Gold (*532)	460	77	90	100	1½	6	10
	500	42	55	70	8½	15	25
	550	8	32	42	25	42	50
Courtaulds (*141)	110	35	39	—	1½	2	—
	120	25	29	—	1½	2	—
	130	17	21	—	2	4	—
	140	8	16	18	4	8	10
	160	1	8	12	19	21	24
Com. Union (*215)	160	56	62	67	1	2	3
	180	36	45	49	1½	3	5
	200	20	31	36	3	7	11
	220	9	22	26	10	15	21
G.E.C. (*180)	160	24	—	—	2	8	12
	180	6	20	26	6	24	28
	200	1½	10	14	20	42	44
	220	1	5	8	42	52	—
	240	1	2	—	62		
Grand Met. (*298)	280	22	35	40	3	8	11
	300	7	20	28	12	18	22
	330	1½	5	13	35	40	45
I.C.I. (*757)	700	70	95	—	3	12	—
	750	40	65	80	17	28	37
	800	10	47	60	42	52	62
	850	2	17	30	87	95	102
	900	1	5	15	137	145	152
Land Sec. (*288)	260	27	—	—	1½	—	—
	280	10	19	27	2	7	9
	300	3	9	18	15	20	24
	330	1	5	11	44	47	48
Marks & Sp. (*142)	120	26	30	34	1½	2	3
	130	17	21	25	1	3	5
	140	8	14	19	3	8	11
	160	1½	6½	10	9	21	25
Shell Trans. (*723)	550	178	—	—	2	—	—
	600	128	145	—	2	4	—
	650	78	100	112	2	8	14
	700	33	60	73	6	20	27
	750	12	32	45	38	43	50
	800	1½	18	23	80	83	88
Traf'gar Hse (*333)	273	63	—	—	2	—	—
	293	43	47	—	2	2	—
	323	16	24	32	4	11	13
	353	6	13	22	22	26	30
	383	2	8	14	51	54	55

Option		Calls May	Calls Aug.	Calls Nov.	Puts May	Puts Aug.	Puts Nov.
BAT Inds. (*343)	280	67	77	—	3	5	—
	300	50	60	—	5	12	—
	330	30	45	52	10	25	27
	360	8	23	37	32	40	50
	390	2½	10	20	60	65	70
Barclays (*347)	285	70	92	—	3	5	—
	335	35	50	57	11	20	27
	385	8	22	35	42	47	55
	435	3	10	17	93	97	100
Bt. Telecom (*141)	90	53½	56	—	0½	0½	—
	100	43½	46	—	0½	1	—
	110	33½	36	—	0½	1½	—
	120	23½	26	30	1½	3	4
	130	14½	19½	23	2½	5	5
	140	6½	12½	17½	8	10	11½
	160	2	5	9	20½	22½	24
Imperial Gp. (*182)	160	29	34	—	3	4	—
	180	13	19	24	7½	12	16
	200	9	13	17	21	28	34
	220	3	7	11	41	45	47
LASMO (*335)	300	43	53	—	6	10	—
	330	23	35	48	15	22	30
	360	13	22	35	42	45	50
	390	8	13	25	68	79	77
Lonrho (*172)	140	36	40	—	1	2½	—
	160	17	23	27	2½	5	8
	180	6	13	16	11	14	18
	200	1½	5½	—	29	30	—
P. & O. (*348)	300	57	68	—	1½	3	—
	330	32	45	57	8	10	13
	360	14	25	37	22	27	30
	390	5	14	—	47	48	—
	420	2	6	—	73	73	—
Racal (*198)	180	26	34	42	3	5	8
	200	14	22	30	8	14	18
	220	3	14	20	26	28	32
	240	1	7	—	44	44	—
	260	1	3	—	64	64	—
	280	1	2	—	84	84	—
R.T.Z. (*639)	600	57	72	85	8½	16	22
	650	27	42	55	35	47	57
	700	13	23	36	70	77	84
Vaal Reefs (*$97)	80	20½	22	25	2	4½	6½
	90	11½	15	18½	4½	9	11½
	100	7¼	10¼	12½	10	14	16
	110	2¾	5¼	—	15	19½	—
Ex. 10% 1889 (*£94)	90	4 1/16	5 1/16	—	0 1/16	0 1/16	—
	92	2⅞	3⅜	4⅛	0⅛	0 1/16	0⅝
	94	1⅛	2 5/16	2⅝	0⅝	1	1 1/16
	96	0 5/16	1 1/32	1 1/16	1⅞	2⅛	2 1/16
	98	0 1/16	0 15/32	—	3⅞	3⅛	—

Option		Calls June	Calls Sept.	Calls Dec.	Puts June	Puts Sept.	Puts Dec.
BTR (*677)	650	54	67	77	13	20	23
	700	30	45	60	42	50	57
	750	13	27	42	72	80	87
Beecham (*363)	330	42	48	—	3	5	—
	360	20	27	35	12	20	25
	390	10	15	20	35	40	45
Bass (*537)	460	97	112	—	5	8	—
	500	62	79	90	8	12	18
	550	24	39	50	27	37	45
De Beers (*$5.13)	420	122	158	—	6	15	—
	460	85	105	120	18	30	43
	500	54	75	93	35	47	58
	550	30	47	65	65	75	88
GKN (*235)	180	60	56	—	2	2	—
	200	40	46	—	3	6	—
	220	23	29	35	7	10	12
	240	11	16	22	15	19	23
Hanson (*205)	187	28	31	—	3	7	—
	200	19	24	32	9	13	16
	220	12	16	24	19	21	25
	240	4	7	16	36	39	42
Jaguar (*297)	280	32	44	—	9	15	—
	300	21	30	43	17	26	30
	330	14	16	23	37	40	43
	360	5	9	—	62	62	—
Tesco (*253)	200	60	—	—	2	—	—
	220	40	46	40	2½	4	8
	240	23	30	34	5	10	14
	260	14	18	23	14	17	21
FT-SE Index (*1278)	1150	137	—	—	6	—	—
	1175	117	—	—	11	—	—
	1200	98	125	—	18	37	—
	1250	62	85	100	33	57	70
	1300	35	57	75	57	80	98

Apr. 4. Total contracts 5,653. Calls 3,985. Puts 1,668.
* Underlying security price.

EUROPEAN OPTIONS EXCHANGE

Series		May Vol.	May Last	Aug. Vol.	Aug. Last	Nov. Vol.	Nov. Last	Stock
GOLD C	$300	—	—	—	—	10	44	$317.10
GOLD C	$320	—	—	13	23.90	—	—	"
GOLD C	$350	20	4	—	—	—	—	"
GOLD C	$360	—	—	12	8	—	—	"
GOLD C	$375	75	1.80	—	—	—	—	"
GOLD P	$300	25	4.40	11	8	—	—	"
GOLD P	$320	—	—	15	14	—	—	"
GOLD P	$325	58	13.50	—	—	—	—	"
		June		Sept.		Dec.		
$/FL C	Fl.325	10	21 B	—	—	—	—	Fl.357
$/FL C	Fl.340	10	20	—	—	—	—	"
$/FL C	Fl.350	23	13.50	20	16.80	—	—	"
$/FL C	Fl.360	478	9.50	—	—	—	—	"
$/FL C	Fl.365	79	7	2	11 B	—	—	"
$/FL C	Fl.370	22	5	—	—	10	11	"
$/FL C	Fl.375	49	4	—	—	—	—	"
$/FL C	Fl.385	—	—	11	5	—	—	"
$/FL C	Fl.395	34	1.40	—	—	—	—	"
$/FL P	Fl.325	119	2.30	—	—	—	—	"
$/FL P	Fl.330	119	3.50	—	—	—	—	"
$/FL P	Fl.340	178	6	—	—	—	—	"
$/FL P	Fl.345	24	7.30 A	2	12.50	—	—	"
$/FL P	Fl.350	54	8.80	20	14.50	—	—	"
$/FL P	Fl.355	86	11.40	—	—	—	—	"
$/FL P	Fl.360	41	13	5	20.80	—	—	"
$/FL P	Fl.370	16	20					
£/$ C	$110	15	10.90	—	—	—	—	$120.30
£/$ C	$120	—	—	—	—	40	8	"
£/$ C	$125	20	2.40	2	4.10	—	—	"
£/$ P	$115	260	2.70	—	—	—	—	"
		Apr.		Jul.		Oct.		
ABN C	Fl.400	74	5	20	14.50	10	17.50	Fl.398.50
ABN P	Fl.400	26	4.50	—	—	6	26.50	"
AEGN C	Fl.190	304	3	126	8	22	10.80	Fl.184.50
AEGN P	Fl.180	222	3.50 B	22	8.70	2	9.70	"
AH C	Fl.220	23	1.50	23	8.50	5	12	Fl.213
AH P	Fl.210	—	—	15	8.50	—	—	"
AKZO C	Fl.110	880	1.40	248	5.10	125	7.60 B	Fl.106.80
AKZO P	Fl.100	10	0.20	283	2.70	28	3.70	"
AMRO C	Fl.75	135	0.60	15	2.40	25	3.20	Fl.73.30
AMRO P	Fl.70	16	0.40	20	2.50	—	—	"
GIST C	Fl.180	14	4	27	7.50	—	—	Fl.181.80
HEIN C	Fl.120	40	37	—	—	—	—	Fl.157.80
HEIN P	Fl.160	15	4	—	—	—	—	"
HOOG C	Fl.60	1342	3	269	4.80	16	5.80 A	Fl.62.10
HOOG P	Fl.60	186	0.70	345	23.0 B	38	3.80 A	"
KLM C	Fl.65	375	3.30	49	6	11	7	Fl.67.70
KLM P	Fl.55	129	0.40	129	2	225	3.40	"
NEDL C	Fl.170	87	12.50	102	16.10	6	18	Fl.180.50
NEDL P	Fl.160	—	—	66	2.00	3	4	"
NATN C	Fl.65	297	4.20	12	6.20	2	8	Fl.69.40
NATN P	Fl.65	—	—	85	1.50	—	—	"
PETR C	Fr.7000	—	—	12	220	—	—	Fr.6,850
PHIL C	Fl.60	215	0.30	142	1.60	399	2.90	Fl.57.40
PHIL P	Fl.60	472	2.50	332	4.20	47	4.60	"
RD C	Fl.200	232	4	34	7	87	9.80	Fl.202.50
RD P	Fl.200	124	1.30	94	9.10	25	11.50	"
ROBE C	Fl.72.50	—	—	80	7.30	10	3.80	Fl.72.10
UNIL C	Fl.340	12	4.50	—	—	—	—	Fl.341
UNIL P	Fl.340	1	2.50	18	11.80	—	—	"

TOTAL VOLUME IN CONTRACTS: 21,808

A=Ask B=Bid C=Call P=Put

ECONOMIC DIARY

TODAY: Bangladesh parliamentary election.

TOMORROW: Industrial action over pay threatened by Customs officers at ports and airports. National Union of Teachers annual conference, Scarborough (until April 11).

MONDAY: National Association of Schoolmasters/Union of Women Teachers annual conference opens Torquay (to April 12). Sir Geoffrey Howe, Foreign Secretary, visits East Berlin (until April 10). EEC socialist parties meet in Madrid.

TUESDAY: Sir Walter Marshall, CEGB chairman, launches 50th anniversary of national grid. Japan's market-opening measures announced, Tokyo.

WEDNESDAY: London clearing bank's monthly statement for mid-March. Provisional estimates of monetary aggregates for mid-March. March provisional producer price index. Sir Geoffrey Howe visits Prague. World Health Organisation meets, Geneva. Nacods, the pit deputies' union, meets Coal Board to press for withdrawal of threatened pit closures.

THURSDAY: Usable steel production for March. Assistant Masters and Mistresses Association debates teachers' pay, Folkstone. Sir Geoffrey Howe visits Warsaw. OECD Ministerial meeting, Paris. NUM, NCB, and other industry unions joint consultative meeting.

FRIDAY: Building societies' monthly figures for March. February final figures of car and commercial vehicle production, March provisional figures. Fourth quarter final figures of finished steel consumption and stock changes. India announces import-export policy for 1985-86.

FT UNIT TRUST INFORMATION SERVICE

Britannia Group—Continued

James Finlay Unit Trust Mngt. Ltd.

L.B.I. Fund Managers Ltd. (a)

Perpetual Unit Trust Mngt. (a) (z)

Touche, Remnant Unit Trust Mngt. Ltd.

Robert Fleming & Co Ltd

Key Fund Managers Ltd. (a)(g)

Prolific Unit Trusts

Trades Union Unit Trust Managers

Kleinwort Benson Unit Managers

Prudential Unit Trust Mngrs Ltd. (a) (b) (c)

Transatlantic and Gen. Secs. (c) (y)

Framlington Unit Mgt. Ltd. (a)

Quilter Management Co. Ltd.

L & C Unit Trust Management Ltd.

Tyndall Managers Ltd.(a)(b)(c)

Reliance Unit Mgrs. Ltd.

Lawson Fund Managers Ltd. (a) (c) (g)

Ridgefield Management Ltd.

Robert Fraser Trust Mgt. Ltd.

Friends Prov. Trust Managers (a)(b)(c)

Legal & General (Unit Tst. Mngrs.) Ltd.

N.M. Rothschild Asset Management

Funds in Court*

Leonine Administration Ltd.

GAM Sterling Management Ltd

Lloyds Bk. Unit Tst. Mngrs. Ltd. (a)

Rowan Unit Trust Mngt. (a)

G. & A. Trust (a) (g)

G.T. Unit Managers Ltd.

Royal Life Fd. Mgmt. Ltd.

Unit Trust Account & Mgmt. Ltd.

Vanguard Trust Managers Ltd.

Royal London Unit Tst Mgrs Ltd

Lloyd's Life Unit Tst. Mngrs. Ltd.

Wardley Unit Trust Managers Ltd (a)

Gartmore Fund Managers (a) (c) (g)

Royal Tst. Can. Fd. Mgrs. Ltd.

Local Authorities' Mutual Invest. Tst.*

SKG Management Limited

Waverley Asset Management Ltd (a) (c) (g)

Save & Prosper Group

London & Manchester (Tst Mgmt) Ltd

Whittingdale Unit Trust Managers

M & G Group (y)(c)(z)

Wright Seligman Fund Managers Ltd.

Govett (John) Unit Mngt. Ltd.

Guardian Royal Ex. Unit Mgrs. Ltd.(a)

INSURANCES

AA Friendly Society

Abbey Life Assurance Co. Ltd. (z)

Gold Management Limited

Hambros Bank Unit Trust Managers Ltd. (g)

Henderson Administration (a) (b) (c)

Schroder Unit Trust Managers Ltd

MGM Unit Managers Ltd.

Albany Life Assurance Co. Ltd.

MLA Unit Trust Management Ltd

Scottish Equitable Fund Mgrs Ltd.

Hexagon Services Ltd.

Hill Samuel Unit Tst. Mgrs.† (a)

ManuLife Management Ltd.

Mayflower Management Co. Ltd.

Scottish Life Investments

McAnally Fund Management Ltd.

Scottish Provident Inv. Mgt. Ltd.

Barclays Life Assur. Co. Ltd.

Mercury Fund Managers Ltd.

Mencap Unit Trust Mngrs Ltd (a)(c)(g)

Scottish Unit Managers

Scottish Widows' Fund Management

Standard Life Trust Mngmt. Ltd.

Stewart Unit Tst. Managers Ltd.(a)

Black Horse Life Ass. Co. Ltd.

Midland Bank Group U.T. Mngrs. Ltd.

Sun Alliance Fund Management Ltd.

Swiss Life Pen. Tst. Man. Co. Ltd.(z)(c)

British National Life Assurance Co. Ltd.

TSB Unit Trusts (b) (c) (y)

Minster Fund Managers Ltd.

Murray Johnstone U.T. Mgmt. (a)

Canada Life Group

National Provident Inv. Mngrs Ltd

3i & Target Fund Mgrs Ltd

Target Trust Mngrs. Ltd. (a)(g)

Northgate Unit Trust Managers Ltd. (c)(y)

Norwich Union Insurance Group (b)

Octavian Unit Trust Mgrs Ltd

Oppenheimer Fund Mngt Ltd.

Pearl Trust Managers Ltd. (a)(g)(z)

Temple Bar Unit Trust Mgrs Ltd

Cannon Assurance Ltd.

Chieftain Assurance Funds

City of Westminster Assurance

Clerical Medical/Fidelity International

Colonial Mutual Group

Commercial Union Group

Confederation Life Insurance Co.

Continental Life Insurance PLC

Cornhill Insurance PLC

Credit & Commerce Life Ass. Ltd.

Crescent Life Assurance Co. Ltd.

Criterion Assurance Group

Crown Financial Management Ltd.

Crusader Insurance PLC

Eagle Star Insur/Midland Assur.

Equity & Law

Family Assurance Society

Friends' Provident Life Office

G.T. Management Ltd.

Assicurazioni GENERALI S.p.A.

General Portfolio Life Ins. PLC

Gresham Unit Assurance Ltd.

Growth & Sec. Life Ass. Soc. Ltd.

Guardian Royal Exchange

Hambro Life Assurance P.L.C.

Hearts of Oak Benefit Society

Henderson Administration

Hill Samuel Life Assur. Ltd.

Imperial Life Ass. Co. of Canada

Imperial Life (UK) Ltd.

Irish Life Assurance Co. PLC.

Langham Life Assur. Co. Ltd.

Legal & General (Unit Assur.) Ltd.

Legal & General Prop. Fd. Mgrs. Ltd.

INSURANCE, OVERSEAS & MONEY FUNDS

OFFSHORE AND OVERSEAS

Midland Bank Tst Corp (Jersey) Ltd
2?-34 Hill St. St Helier Jersey. 0534 72156
McBkDsGt 100.1 100.6xd 11.93
MiBkIntBd $1.02 1.03xd 7.77

Minerals Oils Res Shrs Fd Inc
PO Box 194. St Helier. Jersey. 0534 27441
MrsMar26 $11.6 12.01 .... 3.53

Samuel Montagu Ldn Agents
114 Old Broad St. EC2. 01-628 3434
MtAmEc(z) 108.8 114.3xd 5.39
MtJapInc(z) 69.5 73.1 .... 4.72
MtGiltInt(z) 47.4 50.0xd 11.52
MSRFM27 £15.62 15.63 .... —
Gld&Prz) $0.507 0.543 .... —
IntFMr27 £17.27 18.67 .... —
USFIFM29 $12.53 13.18 .... —
ApMar19 $117.60 127.60 .... 1.09
JapMar31 $43.95 47.57 .... 0.16
AmGrApr3 $19.10 20.55 +0.79 1.26

Murray Johnstone (Inv Adviser)
163 Hope St. Glasgow C2. 041-221 5521
HpeLApr2 $69.69 74.64 .... —
MFdMr28 $19.46 20.72 .... —
PacFdApr3 $4.38 4.68 .... —

NEL Britannia International Ass Ltd
Acorn Hse. Athol St. Douglas. IoM. 0624 24924
Strl Dep 94.5 101.6 .. —
Strl Man 85 9 92 4 -0.2 —
Gilt 95.6 102.3 ... —
UK Man 96.5 103 8 ... —
Intl Man 95.2 102.4 -0.1 —

Nat Westminster Jersey Fd Mgrs Ltd
23-25 Broad St. St Helier, Jersey. 0534 70041
RgInFi(a)(b) 51.8 54.0xd 11.11
EqtyFd(a)(b) 106.2 113.0xd .... —
IntBdFd(a)* 75.7 78.0 ... 7.00
*Sub day every Thurs.
County Bank Currency Fund (z)
Dollar Class $23.7201 +0.0056 —
Sterling Class £11.8889 +0.0040 —
D-Mark Cl DM54.4231 +0.0075 —
DutchGldrCl Dfl54.4233 +0.0088 —
Jap Yen Cl Y5.531.3610 +0.8304 —

Newport International Management
Bank of Bermuda Bldg. Bermuda. 809 295 40000
NpIntSec $15.69 — .... —
NpIntInc $14.74 — .... —
NpDcDl $12.19 — .... —

Norcap Fund Managers (Bermuda) Ltd
Bank of Bermuda Bldg. Bermuda. 809 295 40000
Amer Tst $8.62 8.96 .... —

Normandy Trust Managers Ltd
29 Athol St. Douglas. IoM 0624 29695
Ndy Mt £0.9365 0.9858 .... 2.00
Ndy Cr £1.0287 1.0830 .... 2.00
CrCGr £0.5123 0.5393 .... 2.00

Northgate Unit Tst Mngrs (Jersey) Ltd
PO Box 82. St Helier. Jersey. 0534 73741

Taiwan (ROC) Fund
c/o Vickers da Costa Ltd. King William St. London. EC4. 01-623 2494
NAV $4.14. IDR value US$10,462.47.

Tennant (Cayman) Managers Ltd and NATCO
PO Box 2189. Grand Cayman. 0101 (809) 9497436
Wstmr Cm $7.66 8.08 .... —

Tokyo Pacific Holdings NV
Intimis Management Co NV. Curaco.
Tokyo Pacific Hldgs (Seaboard) NV
NAV per share $135.72.
Intimis Management Co NV. Curaco.
NAV per share $99.76.

Tyndall Bank (Isle of Man) Ltd
30 Athol St. Douglas. IoM. 0624 29201
StgMnyAcc 13.25 — .... —
US$MnyAcc 7.75 — .... —

Tyndall Managers
2 New St. St Helier. Jersey. 0534 37331
TOFSL 201.6 216.1xd +1 2 1 16
American 224.0 241.4xd +5 4 1 65
Far East 257.6 275 8xd -3 0 0 90
European 118.0 126.2xd ... 0.76
PrtfloS.Man 108.8 116 7 +0 7 —
PrtfloS.Amr 109.0 117.3 +2 5 —
Prtflo East 106.2 113.6 -1 2 —
PrtfloS.Euro 110.9 118 6 +1.0 —
Jersey Fd 130.6 137.4 .... 5 37
Nn-JA I Uts 445.6 406.6 .... —
Gilt Fund 114.4 116.4xd 10.20
(AccumShs) 317 0 322.6 .... —
HighIntGilt 113.8 116.2 .... 12.57
(AccumShs) 218.8 223.0 .... —
Victory House, Douglas, IoM. 0624 24111
Int Equity 49.7 47.4 .... —
Do S 5.425 5.714 .... —

Tyndall International Assurance Ltd
Albert House. St Peter Port. Guernsey. 0481 27066
Int Equity 440.3 463.5 -9 9 —
Do $ 5.390 5.675 -0.040 —
PacificEqty 133.9 141.0 -1 6 —
Do $ 1.640 1.730 +0.010 —
NAmEqty 100.8 106.2 -2.5 —
Do $ 1.230 1.295 +0.025 —
UK Eqty 317.5 334.3 -2 8 —
Do $ 3.885 4.090 +0.025 —
Euro Eqty 123.7 130.3 +0.1 —
Do $ 1.515 1.595 +0.025 —
IntlFxdInt 4.539 477.8 -3 2 —
Do $ 5.560 5.855 +0.055 —
StlgFxdInt 278.4 293 1 +0.9 —
Do $ 3.410 3.590 +0.065 —
$ Deposit 145 3 153 0 -2 2 —
Do $ 1.780 1 875 +0 005 —
StgDeposit 162.5 171.1 +0 4 —
Do $ 1.900 2.095 +0 035 —
Commdty 467 4 492 0 +6 6 —
Do $ 5.720 6 025 +0.170 —
Gold 80.0 84 3 -3 4 —
Do $ 0 980 1.035 -0.020 —
UK Prpty 199.5 210 0 +0.3 —
Do $ 2.440 2 570 +0 040 —
Int Mngd 366.9 386.3 -6.4 —
Do $ 4 490 4 730 -0 0?0 —

Wren Commodity Management Ltd
10 St George St Douglas. IoM. 0624 25015
Wren Cm Fd 12.8 13.4 .... —
Chinese Fd 58.2 60.6 .... —
Prec Met Fd 67.3 70.1 .... —
Van Cmdy Fd 19.3 19.8 .... —
FinFut 32.1 33.5 .... —

Yamaichi Dynamic Mngt Co SA
10a Boulevard Royal. Luxembourg.
Dynamic Gth $8.61 -0.01 —

Money Market Trust Funds

	Gross	Net	Gr Equiv CAR	Int Cr
The Money Market Trust				
63 Qn Victoria St. EC4P 4ST.			01-236 09?2	
Call Fund	13.14	9.82	14.46	6mth
7-day Fund	14.24	10.64	15.71	6mth
Oppenheimer Money Management Ltd				
66 Cannon St. EC4N 6AF.			01-236 1425	
Call Fund	13.30	9.94	14.70	6mth
7-day Fund	13.91	10.40	15.40	6mth
Dollar	7.44	—	—	6mth
MnyMgAcc	13.00	9.72	14.61	Qtr

Money Market Bank Accounts

	Gross	Net	Gr Equiv CAR	Int Cr
Aitken Hume				
30 City Road. EC1Y 2AY.			01-638 6???	
Treas Acc	13.50	10.09	14.20	Qtr
MthIncChq	13.25	9.90	14.09	Mth
Bank of Scotland				
38 Threadneedle St. EC2P 2EH.			01-628 8060	
Cheque Acc	12.80	9.56	14.28	Mth
Barclays Prime Account				
PO Box 125 Northampton.			0604 252891	
HighIntChq	13.00	9.50	14.28	Qtr
Britannia Grp of Investment Companies				
29 Finsbury Circ. EC2M 5QL.			01-588-2777	
Cater Allen	13.00	9.72	14.52	Mth
Charterhouse Japhet plc				
1 Paternoster Row. EC4M 7DH.			01-248 3???	
Sterling	13.50	10.09	14.37	Mth
U.S. Dollar	8.00	5.98	8.30	Mth
German Mks	5.00	3.74	5.12	Mth
Swiss Frs	2.00	1.50	2.02	Mth
Jap Yen	5.00	3.74	5.12	Mth
Co-operative Bank				
78-80 Cornhill. EC3.			01-626 6543 Ext 464	
Undr£2,500	11.00	8.22	12.11	Qtr
Over£2,500	13.00	9.72	14.40	Qtr
Dartington & Co Ltd				
Dartington. Totnes. Devon TQ9 6JE.			0803 862??1	
MnyMktAc	13.50	10.09	15.23	Qtr
Henderson/Bank of Scotland				
38 Threadneedle St EC2P.			01-628 80?0	
MMthChqAc	12.80	9.56	13.66	Mth
Lombard North Central plc				
17 Bruton St. W1A 3DH.			01-409 34??	
14-day Notice	—	—	—	—
M & G Kleinwort Benson				
91-99 New London Rd. Chelmsford.			0245 51651	
HghIntChq	13.00	9.72	14.53	Daily
Midland Bank plc				
PO Box 2. Sheffield.			0742 20999 Ext 8738	
HighIntChq	13.04	9.75	14.67	Qtr
Provincial Trust (formerly Choultons)				
30 Ashley Rd. Altrincham Cheshire WA1 2DW.			061-928 9011	
Cheque Acc	13.50	10.09	15.41	Mth
Save & Prosper/Robert Fleming				
28 Western Rd. Romford. RM1 3LB.			0708 66966	
HighIntAcc	13 00	9 72	14.80	Daily
PremierAc	13.00	9.72	14.80	Daily
Tyndall & Co				
29-33 Princess Victoria St. Bristol BS8 4BX.			0272 732241	
Demand Ac	12.96	9.69	14.57	Qtr
Money Acc	13.37	10.00	15.06	Qtr
J. Henry Schroder Wagg & Co Ltd				
Enterprise Hse. Portsmouth.			0705 827733	
Special Acc	12.85	9.61	14.65	Mth
Ovr£10000	13.10	9.79	14.92	Mth

NOTES—Gross: rate to those exempt from composite rate of tax. Net: actual rate after deduction of CRT. Gr. Equiv. CAR: Gross equivalent to basic rate taxpayers—compounded annual rate. Int Cr: frequency interest credited.

NOTES

Prices are in pence unless otherwise indicated and those designated $ with no prefix refer to U.S. dollars. Yields % (shown in last column) allow for all buying expenses. a Offered prices include all expenses. b Today's prices. c Yield based on offer price. d Estimated. g Today's opening price. h Distribution free of UK taxes. p Periodic premium insurance plans. s Single premium insurance. x Offered price includes all expenses except agent's commission. y Offered prices include all expenses if bought through managers. z Previous day's price. ‡ Guernsey gross. § Suspended. ◆ Yield before Jersey tax. † Ex-subdivision. ‡‡ Only available to charitable bodies. @ Yield column shows annualised rates of NAV increase.

LONDON SHARE SERVICE

BRITISH FUNDS

"Shorts" (Lives up to Five Years)

1984-85 High	Low	Stock	Price £	+ or –	Yield Int.	Red.
98	93	Treas 3pc 1985	98	+	3.09	13.09
102¾	99	Treas 11¼pc 1985	99	+	11.55	13.04
99½	96	Treas 8¼pcCnv '85	98½	+	8.89	12.79
104	99	Exch. 12¼pc 1985	99⅞	–	12.27	11.83
103	99	Exch. 11½pc '86	99⅞	–	11.76	11.76
102	96	Treas. 10pcCnv 1986	98½xd	.....	10.17	11.76
95	88¼	Treas 3pc 1986	93⅝	+	3.20	9.16
102	96½	Exch. 10½pc Cv '86	98⅝	.....	10.65	11.85
104	99	Treas 12pc 1986	100	–	12.00	11.94
93½	93½	Treas 8¾pc 1984-86‡‡	96½	+	8.82	11.67
103¾	102	Exch. 14pc 1986	102xd	–	13.60	11.90
89¾	85	Exch. 2½pc 1986	89⅝	+	2.79	9.55
107	100	Exch. 13¼pc 1987	102¼	–	12.96	11.77
100	94½	Treas 10½pcCv '87	97	.....	10.53	11.80
88	83¼	Exch 2½pc 1987	88	+¼	2.84	9.58
101	94½	Exch. 10½pc 1987	97	.....	10.72	11.69
92½	87	Funding 6½pc '85-87‡‡	91½xd	+	7.11	11.33
99	92	Treas. 10pc 1987	96⅝	.....	10.35	11.77
86¼	81	Treas 3pc 1987	86½	+	3.47	9.85
105	97¼	Treas. 12pc 1987	100⅝xd	–	11.93	11.71
92	87	Treas 7¾pc 1985-88‡‡	92	.....	8.42	11.13
100½	92	Exch 10½pc '88	97¼	–	10.80	11.61
96	89	Treas 9½pc Cv '88	94⅞	.....	10.28	11.71
83	77	Transport 3pc '78-88	82	+	3.62	9.23
96	88	Treas. 9½pc '88	93⅝xd	.....	10.15	11.76
104	94	Treas 11½pc 1989	99½	–	11.56	11.64
96	87	Treas 9½pc Cnv. '89	93xd	.....	10.20	11.67
—	—	Treas 3pc 1989	£79		3.80	9.29
99⅝	90	Treas 10½pc 1989	95	–	10.94	11.74
100	85	Exch 10pc 1989	94¼	.....	10.61	11.73
101	94	Exch 11pc 1990	97	–	11.29	11.73
85	77	Treas 5pc 1986-89	82xd	.....	6.10	10.06
114	100½	Treas 13pc 1990‡‡	105	.....	12.34	11.50
97	96	Exch 11pc 1990‡‡	97	–	11.29	11.69
110	100½	Exch. 12½pc 1990	103½	–	12.09	11.58

Five to Fifteen Years

1984-85 High	Low	Stock	Price £	+ or –	Yield Int.	Red.
94	84	Treas 8¼pc 1987-90‡‡	91½	.....	9.28	11.11
95	90½	Treas. 10pcCv 1990	92½xd	.....	10.76	11.77
[illegible]	[illegible]	Treas 11¾pc 1991	[illegible]	[illegible]	[illegible]	[illegible]

Over Fifteen Years

Undated

Index-Linked

INT. BANK AND O'SEAS GOVT STERLING ISSUES

CORPORATION LOANS

COMMONWEALTH & AFRICAN LOANS

LOANS

Building Societies

Public Board and Ind.

Financial

FOREIGN BONDS & RAILS

AMERICANS

AMERICANS—Cont.

CANADIANS

BANKS, HP & LEASING

Hire Purchase, Leasing, etc.

BEERS, WINES & SPIRITS

BEERS, WINES—Cont.

BUILDING, TIMBER, ROADS

CHEMICALS, PLASTICS

DRAPERY AND STORES

DRAPERY & STORES—Cont.

ELECTRICALS

ENGINEERING

ENGINEERING—Continued

FOOD, GROCERIES, ETC

HOTELS AND CATERERS

HOTELS—Continued

INDUSTRIALS (Miscel.)

INDUSTRIALS—Continued

1984-85 High	Low	Stock	Price	+ or −	Div Net	C'vr	Y'ld Gr's	P/E
77	37	Marshall's Universal	67	.....	2.0	♦	4.4	♦
89	77	Do. 7½pcCnRedPf £1	81	.....	7½%	—	13.2	—
30	20	Martin-Black	22‡	.....	—	—	—	—
£108	£81	Mathersons 7¾%	£85	.....	Q7¾%	2.3	19.3	—
435	287	Metal Box £1	387	−3	†15.0	3.2	5.5	6.2
220	129	Metal Closures	152	−4	6.7	♦	6.3	♦
27	9	Metal Sciences 2½p	11	.....	—	—	—	—
133	73	Midland Marts	85	.....	4.0	1.8	6.7	10.8
*85½	44	Mitchell Cotts	69½xr	+1	†4.0	1.5	8.2	9.9
*220	127	Morgan Crucible	204xr	−1	8.0	♦	5.7	17.3
*96	22	Morris (W) F.A. 20p	38	.....	g0.5	♦	2.4	♦
110	80	Moss (Robt.) 10p	96	.....	†2.5	2.3	3.7	13.9
74½	54	Myson Grp 10p	75	.....	1.25	♦	2.4	♦
330	197	NMW Computers	310	.....	6.0	3.0	2.8	17.3
65	34	Nash Inds.	34	.....	2.5	1.5	10.5	7.8
44	30	Neil & Spencer 10p	32	−2	←	—	—	9.6
34	13	Newmark Industries	34	+4	—	—	—	♦
35	16½	Do. 10pc Cnv.Cm.Pf.	35	+½	10%	—	4.1	—
67	39	Nolton	55	.....	g1.1	4.5	2.9	9.2
183	132	Norcros	150	.....	t8.6	2.4	8.2	7.9
86	53	Nu-Swift 5p	55	−3	†2.6	3.2	6.2	7.2
100	58	Oakwood Grp.	90	.....	d4.5	1.4	7.1	(13.2)
190	135	Office & Elect.	165	.....	7.5	4.2	6.5	7.6
108	85	Oldacre 20p	85	.....	s4.0	2.6	6.7	7.5
925	625	Oriflame Intl SA	875xd	.....	46.81	♦	7.6	♦
218	190	Osborne & Little 5p	213	.....	bg2.0	3.2	1.3	33.8
46	15	Ovenstone 12½c	17	.....	‡Q4.5c	2.2	‡	3.9
£175	£120	Ozalid 9pc Cnv 87-92	£172	.....	Q9%	—	15.3	—

INSURANCES

LEISURE

LEISURE—Continued

MOTORS, AIRCRAFT TRADES

Motors and Cycles

Commercial Vehicles

Components

Garages and Distributors

NEWSPAPERS, PUBLISHERS

PAPER, PRINTING, ADVERTISING

PROPERTY

PROPERTY—Continued

SHIPPING

SHOES AND LEATHER

SOUTH AFRICANS

TEXTILES

TOBACCOS

TRUSTS, FINANCE, LAND

Investment Trusts

INVESTMENT TRUSTS—Cont.

Finance, Land, etc

OIL AND GAS

OVERSEAS TRADERS

PLANTATIONS

Rubbers, Palm Oil

Teas

MINES

Central Rand

Eastern Rand

Far West Rand

O.F.S.

Diamond and Platinum

Central African

MINES—Continued

Finance

Australians

Tins

Miscellaneous

1984-85 High	Low	Stock	Price	+ or −	Div Net	C'vr	Y'ld Gr's
955	450	Cons. Murch. 10c	450	.....	†Q100c	1.4	10.8
40	25	Ennex Int. Ir10p	35	.....	—	—	—
177	73	Greenwich Res. Inc.	180	.....	—	—	—
252	150	Hampton Areas 10p	200	+2	3.75	2.1	2.5
260	140	Highwood Res.	200	+8	—	—	—
£24½	£16	Homestake Mining $1	£21½	+⅛	Q20c	—	0.8
310	135	McFinley Red Lake	260	.....	—	—	—
300	101	Mestio Explorations	275	.....	—	—	—
55	23	New Sabina Res C$1	46	−2	—	—	—
365	220	Northgate C$1	350	+38	—	—	—
718	500	RTZ	638	−2	†18.0	2.7	4.0
£155½	£113½	Do. 9½pcLn '95-2000	£139½	−1	Q9½%	35.4	6.9
£13¾	850	Tara Exptn $1	£13¾	+½	—	—	—

NOTES

Unless otherwise indicated, prices and net dividends are in pence and denominations are 25p. Estimated price/earnings ratios and covers are based on latest annual reports and accounts and, where possible, are updated on half-yearly figures. P/Es are calculated on "net" distribution basis, earnings per share being computed on profit after taxation and unrelieved ACT where applicable; bracketed figures indicate 10 per cent or more difference if calculated on "nil" distribution. Covers are based on "maximum" distribution; this compares gross dividend costs to profit after taxation, excluding exceptional profits/losses but including estimated extent of offsetable ACT. Yields are based on middle prices, are gross, adjusted to ACT of 30 per cent and allow for value of declared distribution and rights.

- ● "Tap Stock".
- * Highs and Lows marked thus have been adjusted to allow for rights issues for cash.
- † Interim since increased or resumed.
- ‡ Interim since reduced, passed or deferred.
- ‡‡ Tax-free to non-residents on application.
- ♦ Figures or report awaited.
- ♥ Not officially UK listed; dealings permitted under Rule 535(4)(a).
- ✣ USM; not listed on Stock Exchange and company not subjected to same degree of regulation as listed securities.
- †† Dealt in under Rule 535(3).
- # Price at time of suspension.
- ¶ Indicated dividend after pending scrip and/or rights issue: cover relates to previous dividend or forecast.
- ♦ Merger bid or reorganisation in progress.
- ♣ Not comparable.
- ♠ Same interim: reduced final and/or reduced earnings indicated.
- § Forecast dividend; cover on earnings updated by latest interim statement.
- ‡ Cover allows for conversion of shares not now ranking for dividends or ranking only for restricted dividend.
- ☆ Cover does not allow for shares which may also rank for dividend at a future date. No P/E ratio usually provided.
- ‖ No par value.

B.Fr. Belgian Francs. Fr. French Francs. ¶¶ Yield based on assumption Treasury Bill Rate stays unchanged until maturity of stock. a Tax free. b Figures based on prospectus or other offer estimate. c Cents. d Dividend rate paid or payable on part of capital, cover based on dividend on full capital. e Redemption yield. f Flat yield. g Assumed dividend and yield. h Assumed dividend and yield after scrip issue. j Payment from capital sources. k Kenya. m Interim higher than previous total. n Rights issue pending. q Earnings based on preliminary figures. s Dividend and yield exclude a special payment. t Indicated dividend: cover relates to previous dividend, P/E ratio based on latest annual earnings. u Forecast dividend: cover based on previous year's earnings. v Subject to local tax. x Dividend cover in excess of 100 times. y Dividend and yield based on merger terms. z Dividend and yield include a special payment: Cover does not apply to special payment. A Net dividend and yield. B Preference dividend passed or deferred. C Canadian. E Minimum tender price. F Dividend and yield based on prospectus or other official estimates for 1984-85. G Assumed dividend and yield after pending scrip and/or rights issue. H Dividend and yield based on prospectus or other official estimates for 1984. K Figures based on prospectus or official estimates for 1984. M Dividend and yield based on prospectus or other official estimates for 1985-86. N Dividend and yield based on prospectus or other official estimates for 1985. P Figures based on prospectus or other official estimates for 1983. Q Gross. T Figures assumed. Z Dividend total to date.

Abbreviations: xd ex dividend; xc ex scrip issue; xr ex rights; xa ex all; xd ex capital distribution.

REGIONAL & IRISH STOCKS

The following is a selection of Regional and Irish stocks, the latter being quoted in Irish currency.

Stock	Price	+ or −	Stock	Price	+ or −
Albany Inv 20p	102	.....	Arnott	175	−3
Craig & Rose £1	£10	.....	CPI Hldgs	58	.....
Finlay Pkg. 5p	62	.....	Carrol Inds.	110	+1
Higsons Brew	118	.....	Dublin Gas	52	.....
Holt (Jos) 25p	790	.....	Hall (R. & H.)	47½	.....
IoM Stm. £1	114	−5	Helton Hldgs.	16½	.....
IRISH			Irish Ropes	41	+2
Exch. 12% 1985	£99¾	.....	Jacob (W.& R.)	66	.....
Nat. 9¾% 84/89	£86¾	.....	TMG	115	.....
Fin. 13% 97/02	£95¾	.....	Unidare	84	.....

OPTIONS—3-month call rates

Industrials	p				
Allied-Lyons	16	GKN	17	Turner Newall	16
BAT	32	Hanson Tst.	17½	Unilever	85
BOC Grp.	25	Hawker Sidd	38	Vickers	19
BSR	16	Hse of Fraser	30	**Property**	
BTR	52	ICI	60	Brit Land	12
Babcock	14	'Imps'	18	Cap Counties	18
Barclays	48	Jaguar	28	Land Secs	25
Beecham	52	Ladbroke	24	MEPC	28
Blue Circle	45	Legal & Gen.	50	Peachey	22
Boots	15	Lex Service	28	Samuel Props	14
Bowaters	20	Lloyds Bank	45	**Oils**	
Brit Aerospace	33	Lucas Inds.	25	Brit. Oil & Min	4
Brit. Telecom	11	Marks & Spcr	11	Brit Petroleum	42
Brown (J.)	3	Midland Bk	50	Burmah Oil	18
Burton Ord	39	NEI	8	Charterhall	6
Cadburys	14	Nat West Bk	60	Premier	5
Comm Union	19	P & O Dfd	36	Shell	68
Courtaulds	12½	Plessey	17	Tricentrol	18
Debenhams	17½	Polly Peck	26	Ultramar	19
Distillers	28	Racal Elect	18	**Mines**	
Dunlop	6	RHM	11	Charter Cons	18
FNFC	8½	Rank Org Ord	32	Cons Gold	44
Gen Accident	45	Reed Intnl	50	Lonrho	14
Gen Electric	17	Sears	8	Rio T Zinc	56
Glaxo	85	TI	20		
Grand Met.	25	Tesco	20		
GUS 'A'	68	Thorn EMI	35		
Guardian	60	Trust Houses	13		

A selection of Options traded is given on the London Stock Exchange Report page.

"Recent Issues" and "Rights" Page 24

This service is available to every Company dealt in on Stock Exchanges throughout the United Kingdom for a fee of £800 per annum for each security.

FINANCIAL TIMES
Saturday April 6 1985

Saatchi launches £99m share issue

BY ALEXANDER NICOLL

SAATCHI AND SAATCHI, Britain's biggest advertising agency, surprised the City on Thursday with a £99m share issue, a forecast of doubled profits and news that it had purchased two U.S. consultancies, one dealing with sales promotion one with design.

The acquisitions mark a further diversification by the company, which claims to be the world's fifth largest advertising agency, away from its accustomed role.

Saatchi has made a rapid series of purchases in the past few months as the beginning of a world drive to offer corporate clients a broader range of services, including management consultancy, market research and marketing services.

The resources to build on the framework are to be provided by the latest share issue, raising £96m after expenses and expanding the group's equity by 27 per cent. Saatchi offers five convertible preference shares of £1 each for every two ordinary shares now held.

The new shares are convertible between 1989 and 2015 at a price equivalent to 950p per existing ordinary share.

Investing institutions showed little displeasure at being offered Saatchi equity so soon after an £80m issue in November. The share price dipped only 5p to 875p. The issue, underwritten by County Bank, was quickly sub-underwritten by clients of the stockbrokers Phillips and Drew.

Saatchi aided digestion of the new shares by forecasting that in the year ending September 30 it would report pre-tax profits of £38.3m against last year's £18.3m, with earnings per share up 50 per cent to 56.7p.

For the half-year just ended Saatchi estimated pre-tax profits of £15m, double the comparable figure last year, with earnings per share up 59 per cent, to 25.9p. Mr Maurice Saatchi, the chairman, said advertising margins were improving and group revenues running 35 per cent ahead of last year.

Saatchi's recent acquisitions have included the Hay Group, a U.S. management consultancy and Rowland, a New York public relations company.

The purchases announced on Thursday take it into two more areas. Howard Marlboro, in New York, is a sales promotion consultancy, giving advice, for example, to retailers on how to display merchandise on their shelves, and arranging "money-off" coupon schemes.

Saatchi is paying nine times average annual after-tax profits in the period ending March 31 1988, including an initial $8.3m (£6.9m) cash payment, if Marlboro's profits reach $1.3m.

The payment is 10 times average earnings, including a down payment of $2m, for Siegel & Gale, a consultancy which specialises in design and corporate identity services. It designs logos and other aspects of a corporate client's public "image."

FAMILY IN THE NEWS

An Easter egg from Sainsbury

BY DAVID CHURCHILL

THE SAINSBURY family, Britain's biggest and best-known grocers, this week gave an early Easter present to the National Gallery which has had a pretty rough time in recent years in its attempts to build a new extension to house its ever-growing art collection.

Sir John, Simon and Tim Sainsbury—all brothers—are to provide finance of up to £20m for the National Gallery to increase its gallery space by building an extension on the adjacent Hampton site in Trafalgar Square.

This site has been earmarked for just such a purpose since its purchase by the Government in 1958. But the National Gallery's attempts to raise finance for the building itself have been dogged ever since. The last attempt, which would have included commercial office space to help fund the deal, was quashed last autumn when planning permission was refused, coincidentally after the Prince of Wales had earlier described the proposed design as a "monstrous carbuncle."

Funds for the new building will not come from the supermarket chain itself. Sir John was anxious to point out yesterday, but rather from the Sainsbury family trusts which are understood to be capitalised at about £250m. The supermarket chain gives, by comparison, £250,000 to the arts each year, including sponsorship of the Sadler's Wells Royal Ballet in provincial cities they tour.

Sir John, 57, is the most famous of the three brothers. As chairman of the supermarket business since 1969, he has successfully negotiated the company through choppy retail waters for it to enmerge in the mid-1980s as the largest and most successful retail grocer in the UK.

His brother Simon, two years younger, a former deputy chairman of the supermarket chain who has now retired from the family business, retains his links through chairing the company's arts committee which decides where the £250,000 sponsorship funds would be best placed.

Tim Sainsbury, 52, has been the Conservative MP for Hove since 1973 after an early career in the supermarket chain on the property side. One of his more publicised achievements in recent years was sponsoring the Indecent Displays Act which helped give the Soho area of London a less tawdry appearance.

The Sainsbury family have long been patrons of the arts: Sir Robert Sainsbury, the brother's uncle and their cousin David (the supermarket chain's finance director) financed the Sainsbury Centre for Visual Arts at the University of East Anglia in Norwich. Sir Robert is also a former chairman of the Tate Gallery.

Where does this concern with thearts come from? Sir John does not believe there has to be any special reason to enjoy and support the arts. "It's just a part of my life I enjoy tremendously," he enthuses, admitting to visiting the Royal Opera House in Covent Garden (he has been a director since 1969) at least once a week and always making a point of visiting galleries and theatre when possible in towns and cities outside London and abroad.

It is perhaps not surprising, given his connections in the arts world, that Sir John is married to the former Royal Ballet ballerina Anya Linden, although he refuses to be drawn about whether he prefers opera to ballet. In fact his wife's maiden name, allied to his own, forms the basis of the Linbury Trust which has sponsored several ballet and opera works at Covent Garden.

The Linbury Trust is only one of a member of family trusts and the brothers are reluctant to go into great detail about the financial complexities involved. Indeed, they prefer to keep a relatively low profile about their artistic and charitable donations. While support for the arts is substantial, however, more than three times this amount is given out of the family's trusts to health and social welfare work.

Prince Charles and others who may fear that the Sainsbury involvement in the National Gallery extension could lead to a glorified superstore-style structure need not worry: the brothers and the trustees plan to appoint a panel of experts to help choose the best design from a short list of six from architects around the world.

In fact, many Sainsbury supermarkets are built only after an open competition allowing architects to come up with the best design

Jobless figure falls by 56,000

BY MAX WILKINSON, ECONOMICS CORRESPONDENT

THE NUMBER of people out of work, including school-leavers, fell by 56,000 last month, but the underlying trend continues to be upwards, according to figures from the Department of Employment published on Thursday.

They showed that the headline total including school-leavers fell to 3.27m or 13.5 per cent of the workforce. However, after taking account of the normal fall in unemployment at this time of year and excluding school-leavers, the adjusted total rose by 2,600 to 3.15m.

The rise of 2,600 was much less than the 20,000 rise in February and the 17,500 in January. However, it would be premature to see a sharp improvement in the trend.

Officials believe the improvement reflects the ending of a period of bad weather which has enabled employment to pick up in sectors such as the construction industry.

In the three months to March, the provisional estimates suggest an average monthly rise of 13,400 in the adjusted unemployment total.

This is about the middle of the 10,000 to 15,000 range of monthly increases for the past 12 months.

The latest figures suggest some improvement in the underlying number of vacancies notified to jobcentres in the UK. After allowing for normal seasonal variations, the number of notified vacancies rose by 3,000 in March to 159,200.

However, the trend in recent months has been downwards, and the number of vacancies notified in March was 6 per cent below the level last autumn.

Mr Tom King, the Employment Secretary, said: "A fall in unemployment of 56,000 in March is a significant improvement on recent months. There is slightly better news on vacancies too, which after falling in recent months have risen again.

"On their own this month's figures are more encouraging, particularly having regard to the employment increases and the fact that it will be some months before the first effects of the Budget are seen."

In his Budget on March 19, Mr Nigel Lawson, the Chancellor, announced a series of measures intended to increase employment. These included a substantial expansion of the Community Programme intended to provide a further 100,000 places, a large increase in the number of Youth Training Scheme places and a switch of the burden of employers' national insurance contributions from the lower paid

The latest unemployment figures excluded all those on special government training and job creation schemes.

Without these schemes the number of registered unemployed would have been about 460,000 higher in February. The number of people covered by these schemes was 634,000 in that month, but not all of them would have been unemployed otherwise.

Details, Page 5; Editorial Comment, Page 18

Reagan step to budget compromise

By Stewart Fleming in Washington

PRESIDENT Ronald Reagan has taken the first steps towards a compromise with Congress on measures to cut the $200bn plus U.S. federal budget deficit, but conceded yesterday that his proposal would face "a tough fight."

The President on Thursday agreed to support a deficit cutting package which would cut the growth in defence spending and outlays for the politically sensitive government pension scheme.

The news that the White House and Senate Republican leaders had reached agreement on a package which would cut government spending in 1986 to a level $52bn (£42bn) below current estimates and $295bn over three years, was greeted on Wall Street on Thursday by a sharp rally in bond prices. But traders echoed Senate majority leader Robert Dole who told reporters that the package has "a long way to go" before it could become law.

Senate Republicans who negotiated the spending cuts conceded that even their peers on Capitol Hill would find it hard to endorse the major reductions in many domestic spending programmes such as the elimination of federal support for rural housing, the Small Business Administration and the Amtrak railway system which the new budget package envisages.

Thus it is confidently predicted that both Democrats and Republicans in the Senate will propose major amendments to the proposal on the Senate floor.

However, the President's decision to compromise on the politically unaceptable budget message he sent to Congress in February is seen as an important step which should give the budget cutting process new momentum. "The President is comitted to this package and he intends to fight for passage in both houses," said Mr Donald Regan, White House Chief of Staff.

Among the major provisions of the compromise proposals are a reduction in the rate of growth of defence spending from the 6 per cent in real terms which President Reagan proposed in February to 3 per cent after allowing for inflation.

In the areas of domestic spending where President Reagan has been looking for the biggest budget cuts, he has agreed to limit the inflation proofing for 35m pensioners who draw social security benefits to a level of 2 per cent below the current inflation rate.

Renault in engine talks with GM

BY PAUL BETTS IN PARIS

RENAULT, the financially troubled French state-owned car group, is negotiating the sale to General Motors of car engines manufactured at its new $350m (£293m) plant in northern Mexico to cut losses there.

The French company, under the new management of M Georges Besse, is also understood to be considering the outright closure of the Mexican plant as part of efforts to restructure the group's finances and industrial operations.

M Besse, who took over in January after the enforced resignation of M Bernard Hanon, has been conducting an extensive review of the group's world operations. He has made no final decisions but it is clear he intends to recentre the company around its traditional car assembly operations in France.

The future of Renault's huge investments in North America is at the top of M Besse's agenda to reduce the company's substantial deficit, which is expected to have reached FFr10bn to FFr 12bn (£836m to £1.04bn) last year.

A decision to abandon or reconsider Renault's investment in the Mexican engine plant at Gomez Palacio, near the Californian border, would represent the first tangible sign of a changing approach in North America. Investments there include 46 per cent ownership of American Motors Corporation (AMC), a 41 per cent stake in Mack Trucks, and investments in Canada and Mexico, where apart from the engine plant Renault has a car assembly operation and a Jeep assembly plant owned by AMC.

The Gomez Palacio engine project was to produce 1,000 engines a day. Of these, 80 per cent were to supply AMC in the U.S. and 20 per cent Renault's operations in Mexico.

The slump in AMC sales has meant that production has fallen to about 500 engines a day while debt charges and other substantial costs are expected to lead to losses of about FFr 1bn a year from the Mexican engine plant alone.

Before taking over at Renault, M Besse performed what is now regarded as a model example of of restructuring at Pechiney, the French nationalised aluminium group.

Satellite television Continued from Page 1

pendent television must invest in future technology despite the uncertainty created by Peacock, emphasised that from now on the strictest business criteria must be applied.

"There can be now no question of us viewing DBS as a loss leader to protect our terrestrial franchises. DBS will have to stand alone as a strictly commercial venture," said another ITV executive who has in the past supported the concept.

The BBC, worried by the revenue implications of the recent licence fee decision, admits that the Peacock Committee increases the question marks over its participation in DBS. Senior BBC executives who have insisted in the past that the BBC had to have at least a 50 per cent stake are now saying that maybe 30 per cent is quite enough.

Mr Giles Shaw, Home Office Minister responsible for broadcasting, warned last month that if the present DBS consortium did not want to go ahead the Government would ask the Independent Broadcasting Authority to advertise the franchise.

With the present consortium's business plan showing cumulative losses of more than £200m by year three it is not clear how many new participants the Government would find.

NUM moves to toe line on Trade Union Act

BY DAVID GOODHART, LABOUR STAFF

THE EXECUTIVE of the National Union of Mineworkers has provisionally approved a new draft of the union's rule book which would bring it into line with the 1984 Trade Union Act. The union is also taking discreet steps to purge its contempt of court.

Meeting earlier this week, after the national delegate conference had called off the overtime ban, the executive supported changing the present structure of national executive elections from a branch system to a workplace ballot as the Act specifies.

Branches, however, will now send in amendments and the final decision to change the rule book will have to be accepted by the annual conference in July.

Before the strike, the NUM executive might have been expected to lead any concerted opposition to the new legislation. A number of other recent developments in the NUM suggest that even the dominant left if now accepting a thorough tactical review.

Officials have indicated that the union will seek to pay its fine and purge its contempt with the least possible public humiliation. The South Wales Area's success in purging its contempt without having to apologise to the court has been studied in detail and NUM lawyers have advised a step by step strategy which could see an end to sequestration in three to four weeks.

● Mr Arthur Scargill, NUM president, visited the North-east on Thursday and urged the union's Durham Area to act with restraint on expulsions and avoid driving potentially good NUM members into the arms of the break-away Colliery Trades and Allied Workers Association. The association claims 250 Durham mechanics in its membership.

The Lancashire area of the NUM is planning to take the High Court-appointed Receiver to law because of his refusal to hand over to NUM areas part of the membership subscriptions he is receiving from the coal board.

The Receiver is accumulating about half of £1.50 a week subscription because of the national union's sequestration, with the rest going direct to areas and branches. Lancashire claims part of the money sent to the national union should also be redistributed to areas.

CHIEF PRICE CHANGES THURSDAY

(Prices in pence unless otherwise indicated)

RISES		
Aberdeen Amer Pet	146	+ 18
Beatalls	68	+ 8
Cookson	693	+ 53
Druck Hldgs	355	+ 15
GR Hldgs	235	+ 7
Grand Metropolitan	295	+ 10
Grattan	186	+ 8
GKN	234	+ 6
Harris Queensway	196	+ 6
LASMO	337	+ 7
P and O Dfd	347	+ 9
Plessey	196	+ 6
Speyhawk	250	+ 13
Tricentrol	250	+ 15
Trusthouse Forte	138	+ 4

FALLS		
Allied Irish Banks	92	− 6
Ash & Lacy	380	− 25
Barclays†	192pm	− 18
Lec Refrigeration	263	− 7
Oceonics	110	− 8
Sharna Ware	53	− 6
Thorn EMI	398	− 8
Wardle Storeys	202	− 10

† Nil-paid

WORLDWIDE WEATHER

UK today: Showers, some heavy and prolonged, sunny intervals. Warm. Outlook: Unchanged.

		Y'day midday °C	°F			Y'day midday °C	°F			Y'day midday °C	°F			Y'day midday °C	°F
Ajaccio	C	21	70	Corfu	S	13	66	Luxmb.	C	15	59	Peking	S	21	70
Algiers	F	21	70	Dallas	F	14	57	Madeira	S	19	66	Perth	C	24	75
Amsdm.	R	13	55	Dublin	R	11	52	Madrid	F	11	52	Prague	S	21	70
Athens	S	19	66	Dbrvnk.	S	20	68	Majorca	S	18	64	Rykjvk.	S	10	50
Bahrain	C	22	72	Ednbgh.	C	13	55	Malaga	F	20	68	Rhodes	F	19	66
Barclna.	S	19	66	Faro	F	18	64	Malta	S	18	64	Rio J'o†	S	31	88
Beirut	F	20	68	Florence	C	18	64	M'chestr	F	13	55	Rome	S	17	63
Belfast	F	11	52	Frankft.	F	19	66	Melbne	F	21	70	Salzbrg.	S	22	72
Belgrd.	S	24	75	Geneva	F	16	61	Mx. C.†		—	—	S'cisco†	F	14	57
Berlin	S	22	72	Gibrltr.		—	—	Miami†	C	21	70	Singapr.	F	33	91
Biarritz	S	17	63	Gl'sg'w	C	12	54	Milan	F	15	59	S'tiago†	S	22	72
Bmghm.	C	12	54	G'nsey	F	11	52	Montrl.†	R	2	36	Stckhm.	S	6	43
Blackpl.	F	13	55	Helsinki	C	1	34	Moscow	C	3	37	Strasbg.	F	18	64
Bombay	S	31	88	H. Kong	C	20	68	Munich	S	21	70	Sydney	R	21	70
Bordx.	C	14	57	Innsbrk.	S	19	66	Nairobi	F	25	77	Tangier	F	18	64
Boulgn.	R	12	54	Invrnss.	C	11	52	Naples	S	18	64	Tel Aviv	C	19	66
Bristol	F	12	54	I.o.Man	C	10	50	Nassau	S	25	77	Tenerife	S	24	75
Brussels	R	13	55	Istanbul	S	14	57	Nwcstl.	F	13	55	Tokyo	C	18	64
Budpst.	S	21	70	Jersey	F	12	54	N Delhi	S	30	86	T'ronto†	C	4	39
Cairo	C	23	73	Jo'burg		—	—	N York†	C	8	46	Tunis	S	21	70
Cardiff	R	10	50	L. Plms.	S	22	72	Nice	C	15	59	Valencia	F	19	66
Cape T.	S	21	70	Lisbon	R	14	57	Nicosia	F	17	63	Venice	S	17	63
Chicg.†	R	3	37	Locarno	C	13	55	Oporto	R	13	55	Vienna	S	18	64
Cologne	C	19	66	London	C	12	54	Oslo	Sn	2	36	Warsaw	S	21	70
Cphhgn.	F	6	43	L. Ang.†		—	—	Paris	C	14	57	Zurich	F	19	66

C—Cloudy. D—Drizzle. F—Fair. Fg—Fog. H—Hail. R—Rain. S—Sunny. Sl—Sleet. Sn—Snow. T—Thunder.
† Noon GMT temperatures.

THE LEX COLUMN

The brothers set a paper chase

Shareholders being asked to share in Saatchi and Saatchi's future on Thursday to the tune of close to £100m might have been excused a quiet groan. In the space of four months the market has been asked to expand Saatch's equity base by more than 70 per cent; the number of Saatchi shares in issue has, after all, risen from around 10m five years ago to 38m now, with another 11m still to be created from convertible preference stock. Yet few complaints were audible—the shares dropped a modest 5p on the day to close at 875p.

Looking at the shocking-pink charts in Saatch's three-volume report and accounts, investors may indeed feel satisfied. Earnings per share have shown a compound growth rate of 35 per cent since 1976—admittedly less than the 49 per cent from pre-tax profit, but then much of the increase has come from acquisitions financed by the issue of equity. In spite of the flood of paper on to the market—and the constant swelling of intangible assets in the Saatchi balance sheet—the shares have barely looked back.

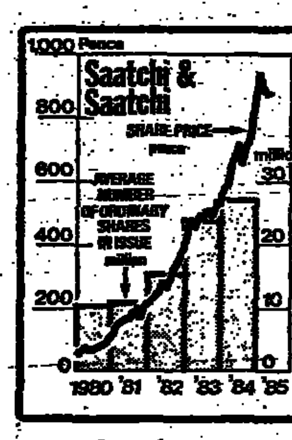
Saatchi is coy about what it will do with the rights issue proceeds, though yet more acquisitions are obviously on the way. With the £35m net cash it already has, there will be plenty in the bank for a rainy day. A highly creditable 30 per cent growth in pre-tax profits has been generated organically, but the company is going to have to go on buying new business if it is to maintain its growth record.

The existing companies have been putting in an excellent performance, with gains in both margins and market share. But with global advertising expenditure set to grow by only 10 to 12 per cent this year, Saatchi cannot afford to let up on either front. This will not be easy—not only must there be some limit to improvements in efficiency; there should also be a constraint on the amount of market share one advertising group can take. Once Saatchi is running one toothpaste account, it is hard for it to sign up the competition too.

So the balance must come from acquisitions—some of the largest taking Saatchi into fields other than straight advertising. Saatchi has effectively bought earnings growth through acquiring less well-managed companies on relatively low multiples. And has been at least as effective in using tighter financial controls to widen margins while giving the management operational autonomy and performance-related bonuses. It is a strategy that works rather well, but one which—through simple arithmetic—cannot double profits for ever.

The market seems to have twigged this already. On yesterday's profit forecast, the shares stand on a fully-diluted p/e just under 20. Unlikely as it may seem, Saatchi is thus well on the way to stock market maturity, at least when compared with younger agencies on multiples twice as extravagant.

Index rose 6.0 to 962.5



Markets

For those who enjoy movement above all else, the equity market may have seemed a dull place this last week; at times it seemed that hours could go by without a price change in any leading share, and there was certainly little to show for the week's trading in the overall level of the market. If the equity market is a reasonable indicator of monetary conditions, its failure to make headway suggests that money has at last begun to get morescarce, however awful next Tuesday's banking figures may look. Underneath this placid pre-Easter surface, however, there was a seething corporate activity—rights issues, takovers and portfolio shuffling—which could scarcely be more intense.

The scramble to take up better positions, commercially or in terms of balance sheet ratios, is almost a game of musical chairs—with a suggestion that company strategists fear that the music may stop. There is something of that in the rights issues; companies who eat up equity less ravenously that Saatchi have realised how advantageous it is in a preiod of high interest rates to reduce gearing—and improve their credit ratings. The stronger your equity base, the easier it is to borrow at very fine rates, re-lend on favourable terms, and so help to make the banking figures look bad.

Some of the repositioning moves are less than convincing. Putting a subsidiary publicly up for sale does not seem the best way to keep its mind on the job until a deal is actually done; it would not be a great surprise if Goldman Sachs has been making more money out of trying to sell Howard Johnson than Imperial Group has made by running it, and this style of auction is a strange blueprint for BAT's sale of its Mardon packaging business. Whatever their defects, disposals do increase management freedom and financial flexibility; the takeovers that tend to follow are too often a more dubious proposition.

S & W Berisford

Another excursion into the U.S., for example, is probably not something that shareholders in S. and W. Berisford will welcome after the Erlanger debacle which cost them so dearly in 1983. Hearing that the Erlanger subsidiary rides again will evoke mixed feelings. And the news that it is now going into jewellery fabrication—as well as bullion trading—is perhaps less than likely to inspire confidence, given the huge amounts of money that Johnson Matthey was quite recently contriving to lose at the U.S. jewellery game. For JM, moreover, jewellery and precious metals were supposed to be the things it knew best.

Perhaps the best thing about Berisford's new acquisition, NGI, is that it is quite modest in scale, so that even if it goes wrong the damage should be limited. If it runs smoothly, perhaps expanding into associated areas such as metal refining, the virtue of using Erlanger as the vehicle is that its accumulated losses—something in excess of $40m—will shelter NGI's profits for some time, as well as those of other U.S. activities now being grouped under the same tax umbrella.

Down 3p to 161p on Thursday, Berisford's shares are about as far out of favour as they have ever been—and perhaps as far as a 9 per cent yield will allow them to get. But since the market has Berisford down as being thin on management, acquisitions are probably not the way for Berisford to win back its old friends.